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Committee on
Indian Affairs
Minutes of proceedings



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HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE
ON
VETERANS AFFAIRS

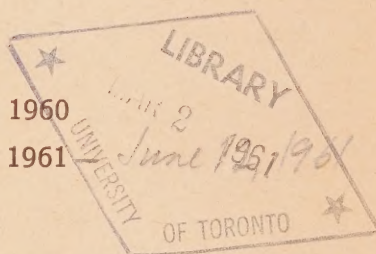
Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 1-17

DECEMBER 14, 1960

FEBRUARY 14, 1961



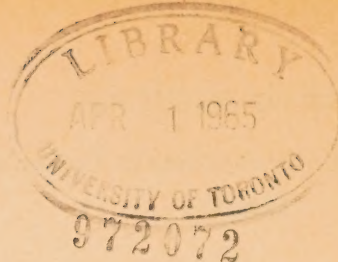
BILL C-67, AN ACT TO AMEND THE PENSION ACT

WITNESSES:

The Honourable G. Churchill, Minister of Veterans Affairs and Messrs. L. Lalonde, Deputy Minister; C. F. Black, Secretary of the Department; W. T. Cromb, Chairman of the War Veterans Allowance Board. *From the Canadian Pension Commission:* Mr. T. D. Anderson, Chairman; Mr. L. A. Mutch, Deputy Chairman; *From the Canadian Legion:* Mr. M. McFarlane, Director of the Service Bureau, and Mr. D. Thompson, Secretary, Dominion Command.

ROGER DUHAMEL, F.R.S.C.
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STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: W. G. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai
Batten
Beech
Benidickson
Broome
Cardin
Carter
Clancy
Denis
Fane
Forgie
Fortin
Herridge
Jones

Jung
Kennedy
LaMarsh (Miss)
Lennard
Macdonald (Kings)
MacEwan
MacRae
Matthews
McIntosh
McWilliam
Montgomery
O'Leary
Ormiston
Parizeau

Peters
Pugh
Roberge
Robinson
Rogers
Speakman
Stearns
Stewart
Thomas
Webster
Weichel
Winkler—40.

R. L. Boivin,
Clerk of the Committee.

ORDERS OF REFERENCE

FRIDAY, December 2, 1960.

Resolved,—That the following Members do compose the Standing Committee on Veterans Affairs:

Messrs.

Badanai,	Jung,	Peters,
Batten,	Kennedy,	Pugh,
Beech,	LaMarsh (Miss),	Roberge,
Benidickson,	Lennard,	Robinson,
Broome,	Macdonald (<i>Kings</i>),	Rogers,
Cardin,	MacEwan,	Speakman,
Carter,	MacRae,	Stearns,
Clancy,	Matthews,	Stewart,
Denis,	McIntosh,	Thomas,
Fane,	McWilliam,	Webster,
Forgie,	Montgomery,	Weichel,
Fortin,	O'Leary,	Winkler—40.
Herridge,	Ormiston,	
Jones,	Parizeau,	

(Quorum 15)

Ordered,—That the said Committee be empowered to examine and inquire into all such matters and things as may be referred to it by the House; and to report from time to time its observations and opinions thereon, with power to send for persons, papers and records.

THURSDAY, December 15, 1960.

Ordered,—1. That the Standing Committee on Veterans Affairs be empowered to print 1,000 copies in English and 300 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

2. That the said Committee be granted leave to sit while the House is sitting.

THURSDAY, January 19, 1961.

Ordered,—That the name of Mr. Smith (*Lincoln*) be substituted for that of Mr. Macdonald (*Kings*) on the Standing Committee on Veterans Affairs.

FRIDAY, February 10, 1961.

Ordered,—That Bill C-67, An Act to amend the Pension Act be referred to the Standing Committee on Veterans Affairs.

Attest.

LEON-J. RAYMOND,
Clerk of the House.

REPORT TO THE HOUSE

THURSDAY, December 15, 1960.

The Standing Committee on Veterans Affairs has the honour to present the following as its

FIRST REPORT

Your Committee recommends:

1. That it be empowered to print 1,000 copies in English and 300 copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.
2. That it be granted leave to sit while the House is sitting.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman.

(The said report was concurred in by the House on the same day.)

MINUTES OF PROCEEDINGS

WEDNESDAY, December 14, 1960.

(1)

The Standing Committee on Veterans Affairs met at 10.00 a.m. this day for the purpose of organization.

Members present: Miss LaMarsh and Messrs. Badanai, Benidickson, Broome, Carter, Fane, Forgie, Fortin, Herridge, Jones, Lennard, Macdonald (*Kings*), MacRae, Matthews, McWilliam, Montgomery, O'Leary, Ormiston, Parizeau, Peters, Pugh, Robinson, Rogers, Speakman, Stearns, Stewart, Webster, Weichel, Winkler—29.

Moved by Mr. Macdonald, seconded by Mr. Forgie, that Mr. Montgomery be Chairman of this Committee. *Carried unanimously.*

The Chairman then took the Chair, and after having expressed his thanks for the honour bestowed upon him by the Committee, welcomed the new member, Miss LaMarsh, noting that her appointment to the Committee constituted a most happy precedent in that she is the first lady to be a member of the Veterans Affairs Committee.

After having read the Order of Reference, the Chairman called for nomination of the Vice-Chairman.

Moved by Mr. Parizeau, seconded by Mr. Weichel, that Mr. Pugh, be Vice-Chairman of this Committee. *Carried unanimously.*

Moved by Mr. Speakman, seconded by Mr. Parizeau,

That the Committee request permission to sit while the House is sitting. *Carried on division.*

On motion of Mr. Herridge, seconded by Mr. Lennard,

Resolved,—That permission be sought to print from day to day, 1,000 English copies and 300 French copies of the Committee's Minutes of Proceedings and Evidence. *Carried unanimously.*

On motion of Mr. Stewart, seconded by Mr. Forgie,

Resolved,—That a subcommittee on Agenda and Procedure to consist of the Chairman, the Vice-Chairman and six members designated by the Chairman be appointed.

The Chairman then designated the six members: Messrs. Cardin, Forgie, Herridge, Kennedy, McIntosh and Rogers.

The question of inviting various veterans' organizations to appear before the Committee was referred to the Steering Committee.

At 10.30 a.m. the Committee adjourned to the call of the Chair.

R. L. Boivin,
Clerk of the Committee.

TUESDAY, February 14, 1961.

(2)

The Standing Committee on Veterans Affairs met this day at 10.40 a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh and Messrs. Badanai, Beech, Benidickson, Broome, Carter, Clancy, Fane, Herridge, Jones, Jung, Lennard, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Parizeau, Peters, Pugh, Rogers, Speakman, Thomas, Weichel and Winkler—25.

In attendance: The Honourable G. Churchill, Minister of Veterans Affairs and Messrs. L. Lalonde, Deputy Minister, C. F. Black, Secretary of the Department; W. T. Cromb, Chairman of the War Veterans Allowance Board. *From the Canadian Pension Commission:* Mr. T. D. Anderson, Chairman, Mr. L. A. Mutch, Deputy Chairman; Dr. W. F. Brown, Chief Medical Adviser; Mr. K. M. Macdonald, Secretary; Mr. A. L. Fortey, Assistant Secretary, and Miss Dickison. *From the Canadian Legion:* Mr. M. McFarlane, Director of the Service Bureau and Mr. D. Thompson, Secretary, Dominion Command.

The Chairman, after having thanked the Members for having elected him Chairman of their Committee, read the Order of Reference and called Bill C-67, An Act to amend the Pension Act.

On motion of Mr. Lennard, seconded by Mr. Weichel,

Resolved,—That permission be sought from the House to print 1,500 copies in English and 500 copies in French of this day's Minutes of Proceedings and Evidence concerning Bill C-67.

The Resolution was resolved in the affirmative—Yeas, 15; Nays, 5.

The Chairman then invited the Minister to address the Committee. The Minister explained briefly the purpose of the Bill, and indicated that he would be available later for further explanations.

The Chairman thanked the Minister and called the Bill. Clauses 1 to 6 inclusive were considered.

Mr. Anderson was called and heard.

On motion of Mr. Winkler, seconded by Mr. Weichel,

Resolved,—That the next meeting of the Committee be called for February 15th, at 9.45 o'clock a.m.

At 12.40 o'clock p.m. the Committee adjourned.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

TUESDAY, February 14, 1961.

10:40 a.m.

The CHAIRMAN: Gentlemen, the time has come to open the committee. We expected the Minister would be present. Apparently he has been held up. I have had no word that he is not coming. I think we should now proceed.

Before I continue with the business I would like to say again that I appreciate the honour you have conferred on me by electing me to chair this committee. I would like to repeat what I said in the house. It is a pleasure to work with you gentlemen. I see that the group is about the same as it was last year and the year before that. I have always had good co-operation. We have had good attendance in the past which I hope will be kept up again. We are all interested in working out what is best for the veteran, and we get along very well. I will do my best to try to recognize members who wish to speak and will endeavour to see that they are given an opportunity to do so in rotation when they ask.

Before I do anything else perhaps I should give a short report. At our steering committee meeting we decided first that our aim would be to try to complete the hearings on this bill in order to get it back to the house by the 22nd, a week from tomorrow. In other words we would try to complete our hearings no later than Tuesday, a week today, and that all hearings will be confined to amendments to the bill. Any other matter that delegations wish to be heard on we will hear later.

I have two wires, one from the War Amputations Association. This association would like to be heard next Monday morning. I think we should attempt to accommodate them unless there is some objection on the part of the majority of the committee. Mr. Hooper who represents the War Veterans Association of the Canadian Council of War Veterans Associations would like to be heard on Tuesday. We would hope to hear them and, having in the meantime studied the act itself, we would be perhaps in a position to get our report out on Wednesday morning or late Tuesday afternoon. This is our aim. It does not mean that anyone will be cut off.

Mr. LENNARD: Who is to be the spokesman of the War Amputations Association?

The CHAIRMAN: I have a letter from Mr. Alan Bell.

Mr. LENNARD: I hope it is he.

The CHAIRMAN: The Canadian Legion will be here on Thursday. At the end of this meeting we can decide whether or not we will meet tomorrow. It is caucus day and it is difficult to hold meetings. We could meet perhaps at a quarter to ten and continue for one hour. However, we can leave this matter until the end of today's meeting.

At the moment we have three delegations, the Canadian Legion on Thursday, the War Amputations Association on Monday, and on Tuesday of next week there will be three persons representing the War Veterans Association of Canada. They have only one item in their brief which they want to speak on; it is item 8. I have copies of the brief on this. If you would like to have them delivered to you I can have them passed to each member of the committee.

Mr. HERRIDGE: You mentioned the War Veterans Association of Canada. Is that the association which was formerly known as the National Council of Veterans?

The CHAIRMAN: It is the Canadian Council of War Veterans Associations and they represent a number of organizations.

Mr. HERRIDGE: I presume it is a new title.

The CHAIRMAN: They have only one item which they would like to discuss in connection with this bill.

Mr. CARTER: Have you received any brief from the Canadian Legion?

The CHAIRMAN: I received a copy in the mail and I supposed that every member of parliament had had one.

An hon. MEMBER: I do not have one.

An hon. MEMBER: Will there be another shorter brief?

The CHAIRMAN: I see that Mr. Thompson is here. Are you going to have a shorter brief in respect of this bill?

Mr. D. M. THOMPSON: Yes.

The CHAIRMAN: And will you have a copy for every member of the committee?

Mr. THOMPSON: Yes.

Mr. BENEDICKSON: The Legion brief appeared in the last two issues of the *Legionary*; it was divided into two parts.

Mr. PUGH: Could we settle the question as to the number of copies of our minutes of proceedings and evidence, for distribution.

The CHAIRMAN: That is a very good idea. We have authority to print 1,000 copies. That will give every member of parliament a copy, every member of the Senate a copy, and certain copies for the officials, also two or three for each organization. It will not make provision for members who want a number of copies. Some members like to have twenty-five or thirty copies of some issues. I would like to know if the committee feel that we should not print a large number of copies and perhaps have them laying around. Could we confine it to having printed at least ten copies for each member and then any organization would have to make its own arrangements.

Mr. ROGERS: What is the cost?

The CHAIRMAN: Twenty-five hundred copies cost \$606.00.

Mr. CARTER: In connection with the last session of parliament I ordered a number of copies of one issue which had to do with the brief of the Newfoundland forestry association. I thought that these copies would cost me the same as copies of *Hansard*, but I found when I got them that the price was just about double. I wonder why these reports cannot be made available to members at the same price we pay for *Hansard*.

The CHAIRMAN: Would it be that you did not order them in time?

Mr. CARTER: I ordered them right at the end of the committee meeting.

Mr. ROGERS: I understand that these veterans associations do get their own copies. What is the sense of a member sending out copies of the minutes of proceedings and evidence to the branches all over Canada, if they are being sent by the Canadian Legion Association.

The CHAIRMAN: May I ask Mr. Thompson what the Canadian Legion does in connection with this?

Mr. THOMPSON: Mr. Chairman and gentlemen, in previous years we have requested that the committee make available to us twenty-five hundred copies of the report of the sitting at which our brief was presented. We are happy

to say that we have been obliged in this respect. We asked for twenty-five hundred copies and they have been made available. We have mailed these to every branch of the organization. That has been done for a number of years now.

The CHAIRMAN: What about copies of other sittings?

Mr. THOMPSON: We do not mail them all out. As you probably know we do include excerpts in the *Legionary* from time to time and of course every member gets a copy of that publication. We do not attempt to send out the minutes of the other sittings.

The CHAIRMAN: In order to have more than 1,000 copies printed we would have to go back to the house to obtain that authority. What do the members think?

Mr. THOMAS: Were those 2,500 copies made available to the Legion free, or did the Legion pay for them?

The CHAIRMAN: I think that was issue No. 7, was it not? That cost us, if I have the figures right, \$606.00. I obtained the figures from the committees branch.

Last year it cost us \$606, and the other issues cost us around \$300 an issue.

Mr. HERRIDGE: Well, Mr. Chairman, I do not think that we should be hesitating in supplying the Legion with these copies in regard to this very important question, which is of concern to the people who are interested in the subject.

I move that we supply the usual number to the Legion, and the numbers required by other organizations which request them.

The CHAIRMAN: Mr. Herridge has made a motion and I take it that it concerns Thursday's issue.

Mr. WEICHEL: Mr. Chairman, I do not think anyone is objecting to that. We are all satisfied.

The CHAIRMAN: Before any discussion takes place I would like a seconder to Mr. Herridge's motion. Is there one? I have no seconder.

Mr. HERRIDGE: Good heavens, no seconder to that motion?

Mr. O'LEARY: Mr. Chairman, I think there has been a misunderstanding. I think we are on the subject of the number of copies which we require. The other has to do with the copies required for the Legion, and this was a subsequent motion.

Mr. CARTER: We have a different question before the Committee at the present time.

Mr. BADANAI: I will second that motion.

Mr. CARTER: Mr. Chairman, we were discussing whether we would get authority to print more than the 1,000, for which we have present authority, for the use of the members. This is a separate consideration.

The CHAIRMAN: Let me have a motion as to how many copies we will have for each member, and we will say, that will apply to organizations as well.

Mr. LENNARD: The question concerns how many copies are to be printed.

Mr. BEECH: What about the price of these copies? That is one matter which I would like to clear up.

The CHAIRMAN: Well, I cannot clear it up for you.

Mr. BEECH: Well, there must be something wrong when you can get *Hansard* for \$3.75 a hundred and it cost around \$600 for 2500 of these others.

The CHAIRMAN: It depends on the number of copies in each issue. One issue may cost less than another, and it is dependent on how much evidence is taken during the sitting.

Mr. CARTER: Mr. Chairman, could we include in our report a recommendation that the evidence of this particular committee be made available to members on the same basis as *Hansard* is in the house. I would like to move that motion.

Mr. FANE: I will second it.

Mr. LENNARD: How many copies are you going to print?

The CHAIRMAN: Well, I would like to have that settled.

Mr. ROGERS: How many copies would a member of parliament wish? Six copies certainly would do me. I am just raising this question in order to find out what the requirements are. There is no use in printing a great many copies if they are not used.

Mr. CARTER: I would require ten at the moment.

Mr. BEECH: I move that we have 1,000 copies printed.

The CHAIRMAN: We have that authority already.

Mr. BEECH: As far as I know, there has not been any complaint in previous years—or has there?

The CHAIRMAN: Are you gentlemen satisfied to leave it at 1,000 and allow them to be distributed as best they can? However, if some members want thirty or forty copies, other members will be short.

Mr. BROOME: Well, that happens in connection with everything. You cannot police it.

The CHAIRMAN: We will allow that to stand for the time being. Now, Mr. Herridge's motion for Thursday.

Mr. CARTER: Mr. Chairman, before Mr. Herridge brings this to a head, may I say that members of parliament are entitled to a number of free copies of *Hansard*. I believe it is six.

Some hon. MEMBERS: No, sixteen.

Mr. CARTER: Sixteen is it?

Mr. THOMAS: In addition to one for his office and one in the house.

Mr. CARTER: There is no such privilege in respect to any committee, and I think there should be a similar privilege for this particular committee.

The CHAIRMAN: Could we bring that in later in connection with the report?

Mr. CARTER: Well, then, that ties in with the number of copies that are going to be printed, because the number that we would recommend would have to be sufficient to take care of that.

Mr. H. F. JONES (*Parliamentary Secretary to the Minister of Veterans Affairs*): Am I correct in saying that, if we print 1,000 copies, these copies will be available for the use of the members and, say, at the direction of the Chair, the Legion could be supplied out of that 1,000?

Mr. BROOME: No, no.

Mr. JONES: Is that not correct?

The CHAIRMAN: The Chairman has not authority to say who will get copies.

Mr. LENNARD: As the meetings this year will be very important, I move that we print 1,500 copies in English and 500 copies in French.

Mr. WEICHEL: I will second Mr. Lennard's motion.

The CHAIRMAN: It has been moved by Mr. Lennard and seconded by Mr. Weichel that we ask for authority to print 1,500 copies in English and 500 copies in French. Is there any discussion on this motion?

Mr. HERRIDGE: Well, Mr. Chairman, my motion was a prior one. What about this number of 2,500?

The CHAIRMAN: No one seconded it.

Mr. BROOME: I did.

Mr. HERRIDGE: Mr. Broome did.

Mr. LENNARD: That is automatic. They got them last year. We did not have to make any motion at that time to that effect.

Mr. HERRIDGE: You do not get them automatically if the Queen's Printer does not know that there are 2,500 copies required for that particular issue.

Mr. LENNARD: He knew last year.

The CHAIRMAN: We had to get special authority.

Mr. LENNARD: Well, we will get it when the time comes. Question?

Mr. THOMAS: Before that motion is put, Mr. Chairman, I think we should be a little clearer on what we are doing.

I understand that last year we obtained authority from the house to have 1,000 copies of the evidence printed for each committee. Then, in addition to that, on certain occasions individuals or organizations had additional copies printed. Now, apparently some of the individuals—and I understand that the member from Newfoundland is one—had to pay for the extra copies that he had printed. However, there were copies for the Canadian Legion, and it seems to me we would be better carrying on this year as we carried on last year, and have 1,000 copies of the report of each committee printed as a standing order with the Queen's Printer. Then, when a special occasion comes along and the Legion or some other organization or individual wants extra copies, special arrangements should be made for those copies.

In reference to the work which the Legion is doing, I think it should be furnished with copies free of charge.

Mr. LENNARD: They are now.

Mr. THOMAS: And I think that every organization which is performing similar services should also be given complimentary copies. However, when individuals wish copies I think it might be in order for them to pay the cost.

Mr. Chairman, I think we should be very clear on this because if we pass the resolution now before the committee, we are more or less binding our hands. I would prefer to see us carry on under our present authority and to deal with these special printings as they arise.

Mr. CLANCY: Mr. Chairman, I would like to point out something of which everyone is aware. Last year I was requested by a group to obtain copies for them to send to their branches. I had no trouble at all in acquiring these, as there are so many copies lying around in the House of Commons and elsewhere. All you have to do is get on the telephone and request them.

Mr. HERRIDGE: My motion was that we continue to print the usual number; however, Thursday is coming soon and in this case we should have printed 2,500 for the Legion. Then, if any other organization comes along and wants additional copies, we can pass a resolution to meet its need. The Queen's Printer has to know the number of copies required.

The CHAIRMAN: The first motion before us is that we print 1,500 copies in English and 500 in French. I am going to put the question, and if you are not in agreement, vote it down.

Mr. CARTER: Before you put the motion I would just like to clear up one point made by Mr. Thomas. I did not object at all to paying for the copies of *Hansard* that I bought. I thought that was quite all right. I always pay for the extra copies of the House of Commons *Hansard* and I am quite prepared to do the same in respect of the copies of the proceedings of this committee. The point I was trying to make was that the price of these extra copies should be the same as the price of the extra copies of *Hansard*.

Mr. BROOME: We do not set prices here.

The CHAIRMAN: Perhaps you want to appoint a special committee to deal with that matter at some later date, but I do not think it should be done here.

All those in favour of the motion that we print 1,500 copies in English instead of 1,000, and 500 copies in French instead of 300 please signify in the usual manner. Those against the motion signify in the usual manner.

Motion agreed to.

The CHAIRMAN: I think that disposes of the motions for today.

Mr. HERRIDGE: What are we going to do about the 2,500 copies of next Thursday's proceedings which the Legion will require?

The CHAIRMAN: I would like to move along with the proceedings today. Could we let that problem stand until tomorrow. I would like to name Mr. Herridge, Mr. Pugh, and Mr. Forgie to consider a motion in that regard for tomorrow. Will you gentlemen get together so that we can eliminate the time wasted discussing this problem in this committee, and bring in some suggestion at Thursday morning's meeting?

Gentlemen, the Minister of Veterans Affairs is present. I am sorry we kept him waiting, but we would like to hear from him now.

We welcome the Minister to this committee for the first time, and I am sure I speak on behalf of all the members here when I wish him good luck in his department.

Some hon. MEMBER: Hear, hear.

Hon. GORDON CHURCHILL (*Minister of Veterans Affairs*): Mr. Chairman and members of the committee, I thank you for your welcome. I am glad to be here with this very important committee of the House of Commons. I have to express my regrets that I will have to leave within a few minutes because I am trying to attend four meetings this morning in a very short period. The next meeting I must attend has to do with a committee called by the Speaker of the House of Commons to consider the rules and procedures of the House of Commons. My remarks, therefore, will be brief on this occasion.

You have before you for study bill C-67 amending the Pension Act, and I hope you will concentrate on the study of that bill so that, while giving it most careful attention, you will nevertheless be able to deal with it as expeditiously as possible. There are quite a number of other matters that will crop up in the course of the discussion which you perhaps will be able to defer until later meetings of this committee.

I am not sure what your practice has been in other years, but I presume your committee will hold frequent meetings to consider a number of veterans problems, plus those that are specifically referred to you by the House of Commons. I am not sure of your procedure along that line; however, if you can find it possible to direct your attention immediately to the various sections of the bill and then advise the House of Commons as to whether you agree or disagree with the bill, it would be very helpful. We are hoping that this bill will be returned to the House of Commons very soon, that our discussions there can be completed and then that it be sent to the other house.

I expect you will be hearing from veterans organizations with regard to this bill, but may I just point out to you that what you are dealing with in

this bill chiefly is amending the rate of pension payable to approximately 185,000 people, which includes the disability pensioners plus their dependents.

Taking the figures from the annual report for 1959-60, there are 47,845 disability pensioners of the first war; 104,911 disability pensioners of the second and subsequent wars, making a total of 152,756.

The dependents of the first war disability pensioners number 14,812; and from the second world war, 17,546, for a total of 32,358 dependents. This makes a grand total of 185,114 disability pensioners and dependents. You can appreciate, then, that it is these 185,000 people you will be keeping in mind when you are considering this bill.

One of the problems I touched on when we were debating this bill in the House of Commons, and which many of you perhaps have in mind this morning, deals with the case of those disability pensioners who are also, because of circumstances, drawing funds from the War Veterans Allowance Act. These people number about 13,009 all told and consist mostly of people whose disability pensions are rather small. About 9,000 of them have pensions in the category of five to twenty per cent.

The question may be asked, what happens to the war veterans allowance for which these 13,000 disability pensioners or approximately 9 per cent of the total number of disability pensioners, would be eligible, in the event that their pensions were raised? According to the War Veterans Allowance Act, the payments under that act are correspondingly reduced because of the ceiling that has been established. This is an awkward and, to some individuals, an irritating feature. However, this is something we cannot deal with immediately.

In 1957 the pensions were raised and subsequently the War Veterans Allowance Act was dealt with. It now appears that this will be the case under present circumstances; that we will now deal with the Pension Act and at a later date deal with the War Veterans Allowance Act as was forecast by Colonel Brooks when he was Minister of Veterans Affairs. It is considered to be a mistake to mix up these two acts. The Pension Act is strictly in respect of veterans who have suffered disabilities, and the War Veterans Allowance Act is for an entirely different purpose.

Recently in the House of Commons when I was dealing with this problem, because I foresaw that there might be some difficulty, I used these words as reported at page 1896:

I have instituted a study of the War Veterans' Allowance Act to see what is required in the way of amendments thereto and to consider how quickly those amendments might be undertaken. I can make no promises; I am making no promises at this time. I am indicating that I have the matter under advisement and have instituted the necessary study, and I am making a study myself of the War Veterans Allowance Act.

So, this morning, to those of you who may be wondering about this, I can only stand on the statement I made in the House of Commons. The matter is under advisement; no promises can be made at this stage except to say this, that, following the commitment made by the Prime Minister and Colonel Brooks, each act under the war veterans charter will, in its turn, be subject to review and amendment, if that is considered advisable. So, for the 9 per cent of the disability pensioners, 13,000 people who will be receiving an increase in their disability pensions, they will then suffer a decrease in their war veterans allowances but, because of the ceiling we can, at this stage, make no actual promises. I would advise you, however, as I have previously stated, that the War Veterans Act is under review and, when an announcement with regard to that act is deemed advisable, I shall make it in the House of Commons.

I have introduced this subject because I foresaw that there would be a little difficulty here, and I expect some members have already been considering it. But, I return to what I said originally. I urge that you concentrate on the matter which is immediately in front of you, this bill, C-67, to amend the Pension Act and, if you can keep that separate from some of these other problems which we discussed at the resolution stage in the House of Commons, I think the committee would make very good progress. Perhaps you would agree with me that it is advisable to keep these two acts separate because they deal with different aspects of the lives of veterans.

Mr. Chairman, I now shall draw my remarks to a close. I shall return to the committee at other meetings, if it is at all possible, and be prepared to engage in discussions with you. In my absence, the parliamentary secretary will be here and will advise me subsequently as to any action that may be required on my part. You have the officials of the pensions commission in attendance for examination with regard to all of the technical details contained in the bill. There are some other matters in the bill in addition to the raising of the pensions, which are of very considerable importance and which will affect the lives of quite a few pensioners though I have talked about only one aspect of the bill, these other clauses are designed to remove some of the troublesome arrangements that have been brought to our attention by members of the house and by veterans' organizations. If you will excuse me at this stage, Mr. Chairman; I hate to leave in such a hurry but I notice I was being summoned to the Speaker's room for the other committee I have mentioned.

The CHAIRMAN: Thank you, Mr. Minister. We do not want to take up your time. Is there any question at this moment? I do not want any remarks unless they are questions.

Mr. HERRIDGE: May I raise a point of privilege? Before going on with my point of privilege, however, I wish to express my appreciation of the minister's statement and to congratulate him on his fitness as a result of coasting along for 40 years on a cushion of exercise. This is a rather important occasion, I should say an historic occasion. The subject I was going to raise was raised by Mr. Speakman at the last meeting of the committee, but I think it should be placed on record that we have with us two survivors of the first company of the veterans affairs committee. The other was Mr. Lennard; but I want to direct the attention of the committee and others present to the fact that this is the first occasion on which we have a lady member on the committee of veterans affairs and, in the terms, the language, of one of the greatest newspapers in Canada, a statuesque and attractive lady member. I was discussing this with a veteran of the first world war and he said, "Gor blimey, 'oo would ever 'ev thought you would 'ev a veteran in petticoats on the veteran affairs committee?"

I should now like to quote from a national magazine which deals with Miss LaMarsh's service. It is from the *Globe and Mail* of January 7, 1961, and states:

A secondary interest in languages prompted her to study Spanish through Dalhousie university's extension courses. This zest for languages opened an unusual chapter in her life. One day a request came for volunteers to attend a course in Japanese at Vancouver. No men applied. Judy applied for a transfer and got it—then lived to regret it when she learned that the class had a start on her of several weeks.

'I was so green I even opened my textbook at the front instead of the back,' she remembered. 'The sounds the teacher made and the

characters on the blackboard meant nothing.' Undismayed, Judy got special tutoring, sweated night and day and passed her exam with a mark of 80 per cent.

With this feather in her CWAC cap, she was assigned to camp Ritchie, Maryland, where she served for more than a year as linguist and interpreter at the intelligence centre with American, Canadian and British intelligence teams. 'I can't remember a word of Japanese now,' she admitted.

In March, 1946, she was discharged as a sergeant, then served more than two years as an officer cadet with the Lincoln and Welland Regiment (Militia).

I am sure all members of the committee welcome this first lady member of the committee and trust she may find among them a happy association. I believe she will make a special contribution in concert with the somewhat less attractive members of the committee.

Mr. LENNARD: I think there was an omission there. Mr. Benidickson was also a member of the first committee.

Mr. HERRIDGE: I apologize for that oversight.

The CHAIRMAN: We can now hear from Mr. Anderson, unless there are any questions.

Mr. McINTOSH: I should like to direct a question to the Minister before he leaves. In his statement he said it was a mistake to mix the Pension Act with the War Veterans Allowance Act. However, I think he also admitted that they were mixed, as members of the committee so far as 13,000 people were concerned. If we, as members of the committee, do not hear anything from these 13,000 people I am sure members of parliament are going to hear from them because they are the ones who are not going to get an increase if this bill is passed. I am not too sure what he said, whether parliament was going to consider the War Veterans Allowances Act this session, or did he make a comment at all? At any rate, we, as members of parliament, shall have to answer many letters. I know the government are going to consider the War Veterans Allowances Act, but when? I know that will be done as soon as possible. Will it be done this session or next? I would like to know what happened in 1947.

Mr. BENIDICKSON: The minister referred to 1957.

Mr. McINTOSH: War veterans allowances need an increase more than any other. I am not saying others do not, but they are the ones who actually need increases in their pensions.

Mr. CHURCHILL: I made no commitment.

Mr. McINTOSH: That is what I was afraid of.

Mr. CHURCHILL: I thought members of the committee would read between the lines. I am sure I indicated my interest in the matter. I commenced this study of the act, or had my officials commence a study of it in November, in spite of the previously announced orderly progression—the Pension Act this year and the veterans charter the next. I would expect the committee to appreciate the fact that I have initiated this study, that I have previously indicated I am giving it close attention myself. I thought that statement would show the committee that the matter is under very close advisement. However, I can make no promises. That is what it amounts to.

The CHAIRMAN: Thank you very much, Mr. Minister.

Mr. McINTOSH: Has the department found out the amount of money that is involved with these 13,000 individuals, in this 20 per cent increase?

Mr. CHURCHILL: This can be figured out, Mr. Chairman. But the point of my remarks was that I think we have recognized this problem. The committee could spend a great deal of time on this particular problem, about which I am not in a position to make a commitment at this moment.

Would it not be better to concentrate on the Pension Act as it stands, and to proceed with it? There will be other problems which I think will arise also, and which are rather aside or apart from the bill.

I was simply urging that we concentrate our attention on the bill while at the same time we recognize this other problem which has caused me no little concern.

The CHAIRMAN: Mr. Speakman had his hand up, but I shall not allow any speeches at this time.

Mr. SPEAKMAN: I would like to point out that this is a matter which was asked to be given priority by all the briefs and representations made to us over the past year. This appears in other measures. We all recognize that the War Veterans Allowance is granted in necessitous circumstances, but the veterans association have asked for pension increases first.

The CHAIRMAN: These things can be argued out later.

Mr. BROOME: I wonder if the minister might not consider it possible to take care of these 13,000 cases without very much extra expenditure of money, if some provision were added to this bill as a temporary stopgap measure until the W.V.A. Act itself was considered, so that these people will not suffer?

If there are 9,000 who come under the category of from five to twenty per cent, it means that the financial commitment would not be too great, and it would be something which would take away a sense of injustice. It could simply be a temporary measure until the W.V.A. was looked into completely.

Mr. CHURCHILL: All I can say is that my suggestion concerning the 13,000 is that we recognize them. Actually the bill deals with 185,000, and it is the 91 per cent we are concerned with at the present time.

What I fear is that if too much time is spent on this particular problem—and I recognize the seriousness of it—you will not get this bill through committee.

But I was suggesting that in the wisdom of the committee you may feel that something other than what I suggest should be done. This is a free country, and people may express their opinions very freely. I have given you mine this morning.

The CHAIRMAN: Gentlemen, I think we have had the Minister's answer to this question, and I wonder if it might not be discussed later in the committee, and when we bring in our report? Then, if certain members feel there should be a recommendation in connection with this, after it has been fully discussed. But I do not think we will get anything more out of the minister. He has made his promise and has said what he could say. I do not think we would gain anything by following this up at the present time.

Mr. BENEDICKSON: I appreciate the frankness of the Minister with respect to this particular point. I think he was one of the first to introduce the difficulty.

As an original member of this committee I recall when we have had Ministers of Veterans Affairs in the past who indicated to the committee that they were aware of certain difficulties. But we all know that each minister must present his recommendations to his colleagues, and in due course get a decision from them.

I recall on several occasions in the past when it appeared obvious that the ministers, and the committee, in connection with legislation felt that before it left the committee certain improvements should be made to that legislation.

In the meantime, I know that members of the committee who were members of the government party in turn did their bit to try to persuade the government that certain improvements were necessary before the bill left the committee.

I think perhaps something along that line might be done within the week or so that we have; and as far as I am concerned, I am prepared, for an interval at least, to carry on and not waste time on this particular item. But I do reserve my right to revive discussion of this very important matter prior to our clearing the bill through committee.

Time is of the essence. I think we are quite satisfied that the minister is very earnestly concerned about this particular problem. Perhaps, from the point of view of procedure, we might just agree upon a moratorium, and discuss this particular point after perhaps a week.

An hon. MEMBER: I want to support Mr. Benidickson's approach.

Mr. BENIDICKSON: The Minister has been quite frank with us. So let us get on with the bill and reserve our right to discuss the matter of a recommendation in the committee in due course.

The CHAIRMAN: I know Mr. Winkler has had his hand up for some time. If everybody else is going to say something, then he should have his chance at this time as well.

Mr. WINKLER: Mr. Chairman, I would prefer it if we might now hear from Mr. Anderson.

The CHAIRMAN: I think that is the proper thing to do. I think we should now get our meeting off to a proper start.

We have with us Mr. Anderson, the chairman of the pension commission, and we want to get his statement, because as things come along there may be more light.

Mr. LENNARD: Mr. Chairman, I do not think the parliamentary secretary should have any place on this committee. He should be seated beside you, representing the minister.

The CHAIRMAN: Then we will invite him up to the front and give him a place of honour.

Mr. LENNARD: I mean that he should not be on the committee as a member, but rather as a representative of the minister at these meetings.

Mr. JONES: I think the procedure in the past was for the parliamentary secretary to the minister to be a member of the committee. I think Mr. Dinsdale was a member of the committee.

Mr. BENIDICKSON: He also was chairman for a while. But I see that we have with us a former member, Mr. Mutch; and I remember seeing him at most of our meetings in the past.

The CHAIRMAN: We have with us this morning certain officials from the department whom I want to introduce. They are not here particularly to take part in proceedings, but are here merely as observers. However, if anything should come up, or some question arise, I think they would be willing to answer it.

We have with us Col. Lalonde who, as all the members know, is the deputy minister of the department. We also have Mr. Black, the secretary of the department, and Mr. Cromb, the chief of the War Veterans Allowance Board.

I think we should welcome Mr. Cromb, maybe for the first time in his official position.

These gentlemen are all from the department. And then we have with us from the pension commission those who are particularly concerned with the bill, in the person of Mr. Anderson, the chairman, Mr. Mutch, the deputy chair-

man, Dr. W. F. Brown, chief medical advisor, and Mr. Kenneth Macdonald, the pension counsel. Also we have with us Mr. Fortey, who is the commission secretary, and we also have the young lady, Miss Dickson, who is secretary to the chairman.

Now, Mr. Anderson, I call on you. I believe everybody knows you well, and we are glad to have you with us. I call upon you to make a statement, if you have one, or to say whatever you wish to say, and then we may get down to business.

Mr. T. D. ANDERSON (*Chairman of the Canadian Pension Commission*): Mr. Chairman, lady and gentlemen, and members of the committee; I want to express my appreciation for the opportunity of appearing again before you on this occasion, and also to introduce the various members of my staff who are here today.

I have deliberately avoided preparing any long statement and I do not intend to make one at this stage, because I realize there is some urgency about proceeding with this measure. I will therefore be prepared at any time to try to answer any questions which any member of the committee may raise during these sittings. If the answer cannot be given immediately, I will do what I can to obtain it for you.

Last year I went to some length to explain the status of the commission. I think perhaps you all are well aware of that now, and I do not believe there would be any point in repeating it.

All I would say this morning is that I thank you, Mr. Chairman, for the opportunity of being here. If at any time you feel we can be of any help to you, we would be glad to do what we can.

The CHAIRMAN: Thank you, Mr. Anderson.

On Friday, February 10, 1961, Bill C-67, an act to amend the Pension Act, was referred to this committee on veterans affairs. The bill has to do with amendments to the Pension Act. This is what has been referred to us for consideration.

I am wondering if it is the wish of the committee to spend a few minutes in discussing the principle of the bill generally, or whether I should read immediately clause 1, get down to work on that clause first, and then take it clause by clause.

Mr. BENEDICKSON: Mr. Chairman, I have just one question in connection with the remarks you made at the beginning. You indicated that we could expect on Thursday to have the representatives of the Canadian Legion before the committee, but you said something about their presentation being confined to a particular section. Was it section 8 of the amending bill?

The CHAIRMAN: It is the Canadian Council of War Veterans Associations. Their submission will be confined to section 8.

Mr. BENEDICKSON: Thank you.

Mr. CARTER: I would like to ask for clarification of the procedure. Are we going to take up the clauses now, clause by clause, starting with clause 1 and then carry each clause? If we do that, are we not going to have to reopen it again when the Canadian Legion comes before us, if they have representations to make on the clauses which we have considered already?

The CHAIRMAN: This is a very good point. My own opinion is that we should not carry any clause, but rather that we should go through it now and discuss the act. What is the opinion of other members of the committee?

Agreed.

The CHAIRMAN: As Mr. Carter has said if we passed each clause, clause by clause, it would put us in an awkward position when delegations appear before us. The procedure will be that we will take it up clause by clause, discuss it, and when we finish with a clause we will close discussion on that clause for the time being, but will leave it open until we finish discussion on the bill.

Is there anything further?

On clause 1.

1. Schedules A and B of the Pension Act are repealed and the following substituted therefor:

STANDING COMMITTEE

"SCHEDULE A.

SCALE OF PENSIONS FOR DISABILITIES.

Percentage of Disability—Class and Annual Rate of Pension.

Rank of Rating of Member of Forces	1 98-99 100	2 93-97 95	3 88-92 90	4 83-87 85	5 78-82 80	6 73-77 75	7 68-72 70	8 63-67 65	9 58-62 60	10 53-57 55
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Captain (Naval), Colonel (Army), Group Captain (Air), and all ranks and ratings below	2,160 00	2,052 00	1,944 00	1,836 00	1,728 00	1,620 00	1,512 00	1,404 00	1,296 00	1,188 00
Commodore and higher ranks (Naval), Brigadier, Brigadier-General and higher ranks (Army), Air Commodore and higher ranks (Air)	2,700 00	2,565 00	2,430 00	2,295 00	2,160 00	2,025 00	1,890 00	1,755 00	1,620 00	1,485 00
Above ranks—Additional pension for married member of the forces	720 00	684 00	648 00	612 00	576 00	540 00	504 00	468 00	432 00	396 00
Additional pension for children for above ranks— One child	324 00	307 80	291 60	275 40	259 20	243 00	226 80	210 60	194 40	178 20
Two children	564 00	535 80	507 60	479 40	451 20	423 00	394 80	366 60	338 40	310 20
Each additional child an additional	192 00	182 40	172 80	163 20	153 60	144 00	134 40	124 80	115 20	105 60

SCHEDULE A—Concluded

Rank or Rating of Member of Forces	11 48-52 50	12 43-47 45	13 38-42 40	14 33-37 35	15 28-32 30	16 23-27 25	17 18-22 20	18 13-17 15	19 8-12 10	20 5-7 5
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Captain (Naval), Colonel (Army), Group Captain (Air), and all ranks and ratings below.....	1,080 00	972 00	864 00	756 00	648 00	540 00	432 00	324 00	216 00	108 00
Commodore and higher ranks (Naval), Brigadier, Brigadier-General and higher ranks (Army), Air Commodore and higher ranks (Air).....	1,350 00	1,215 00	1,080 00	945 00	810 00	675 00	540 00	405 00	270 00	135 00
Above ranks—Additional pension for married member of the forces.....	360 00	324 00	288 00	252 00	216 00	180 00	144 00	108 00	72 00	36 00
Additional pension for children for above ranks— One child.....	162 00	145 80	129 60	113 40	97 20	81 00	64 80	48 60	32 40	16 20
Two children.....	282 00	253 80	225 60	197 40	169 20	141 00	112 80	84 60	56 40	28 20
Each additional child an additional.....	96 00	86 40	76 80	67 20	57 60	48 00	38 40	28 80	19 20	9 60

Class 21—Disabilities below 5 per cent—All ranks—A final payment not exceeding \$240.

STANDING COMMITTEE

SCHEDULE B.

SCALE OF PENSIONS FOR DEATH.

Rank or Rating of Member of Forces	Rate per annum			
	Widow	Dependent parent	Child or dependent brother or sister	Orphan child or orphan brother or sister
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Commander (Naval), Lieutenant-Colonel (Army), Wing Commander (Air), and all ranks and ratings below.....	1,656 00	*1,296 00		
Captain (Naval), Colonel (Army), Group Captain (Air).....	1,656 00	*1,512 00		
Commodore and higher ranks (Naval), Brigadier, Brigadier-General and higher ranks (Army), Air Commodore and higher ranks (Air).....	2,160 00	*2,160 00		
Pension for children or dependent brothers or sisters for above ranks—				
One child.....			*324 00	*648 00
Two children.....			*564 00	*1,128 00
Each additional child an additional.....			*192 00	*384 00

*Pensions awarded to parents or brothers and sisters may be less than these amounts in accordance with the provisions of this Act."

Mr. CARTER: May I ask one or two questions, Mr. Chairman?

The CHAIRMAN: Yes, Mr. Carter.

Mr. CARTER: At what percentage of disability does the pension reach the W.V.A. ceiling? Is it twenty per cent or somewhere in between?

Mr. ANDERSON: The W.V.A. ceiling for a single man is \$90.00. Therefore, it is whenever the amount of pension is at \$90.00.

Mr. CARTER: Fifty per cent.

Mr. ANDERSON: Yes, fifty per cent would be the point at which it reaches \$90.00.

Mr. CARTER: This morning the minister mentioned something about from 5 to 20 per cent.

Mr. WINKLER: Before we become involved in this business of considering pensions and war veterans allowance, I think Mr. Benidickson made a suggestion here that we leave this right out of the discussion on the bill until the bill has been dealt with clause by clause. I have spoken to quite a number of the members of the committee. I think the minister clarified quite a number of the points this morning which were in the minds of a number of us, namely consideration of war veterans allowance and immediate consideration of these 13,009 people who are dual recipients. Every person to whom I have spoken is anxious that these be considered, and consequently I am sure that all of us were happy to hear what the minister said this morning.

Now, I think we should make a motion in accordance with Mr. Benidickson's suggestion that we leave this out until such time as we are finished with the bill.

Mr. CARTER: On this point of order of Mr. Winkler I would like to state that I have not asked any questions about war veterans allowance. Is it that we cannot mention war veterans allowance any more in this committee?

The CHAIRMAN: I think your question, Mr. Carter, was quite proper. I realize what Mr. Winkler means.

Mr. BENIDICKSON: I just meant that we should not get into a lot of wrangling. I appreciate that many of the delegations which appear before us will refer to this subject and we should be free to take advantage of their presence to obtain their views in respect of the relationship of the two acts. I simply meant that we might perhaps defer our own individual comments. I think Mr. Carter is perfectly in order in eliciting information as to the point where this becomes a difficulty.

Mr. CARTER: My question related to the percentage of pension disability, not the veterans allowance. I think Mr. Winkler was quite out of order in taking up the committee's time on this.

Mr. WINKLER: I did not mean what you have said.

The CHAIRMAN: When the steering committee met it was unanimously agreed that we would hold the presentations to the amendments to this act at this time. If the delegations wish to submit briefs on the war veterans allowance, then we would meet with them later. We are going to hold the Canadian Legion and any other organization pretty well to a discussion of this act at this time.

Mr. BENIDICKSON: Do you mean to the contents of the amending bill, or the Pension Act?

The CHAIRMAN: The amendments to the act. I think that is what the steering committee had in mind.

Mr. BENIDICKSON: We will very likely hear from delegations indicating that this bill falls short in certain respects.

The CHAIRMAN: That is right.

Did you get your answer, Mr. Carter?

Mr. CARTER: Yes. There is some other information I would like to have. Does the pension commission, or the department, have any information about the earning capacity of 100 per cent pensioners? In my mind there are two categories of 100 per cent pensioners. There is the category which has to exist solely on what is paid by the pensions commission and another category which receives this pension but also is able to supplement it by earnings from some occupation. I am wondering if there is any information in the department in respect of these two? In other words how many would be in each group.

Mr. ANDERSON: Disability pensions are paid for disabilities suffered and in accordance with the disability which is found in the individual from time to time on medical examination. The pension bears no relationship to the veteran's income. We feel, therefore, that it is none of our business what they earn.

The CHAIRMAN: In other words you would not be in a position to tell us how many who also are working receive 100 per cent pension.

Mr. ANDERSON: That is right.

Mr. HERRIDGE: That has always been the opinion of the committee and the government.

Mr. WEICHEL: I think Mr. Anderson's statement covers us, because we are not worrying about what the 100 per cent pensioner can earn; we are trying simply to help him in his 100 per cent disability.

The CHAIRMAN: Are there any further questions on clause 1?

Mr. ROGERS: What effect does this increase in pension have on 5 per cent pensioners?

The CHAIRMAN: In other words how much extra pension will he get?

Mr. ANDERSON: He will get an increase of \$18.00 per year.

The CHAIRMAN: Do you have a question, Mr. McIntosh?

Mr. MCINTOSH: Would Mr. Anderson put on the record under what conditions a pension is reduced?

Mr. ANDERSON: The pension is reduced only if the disability for which the pension is paid improves or gets better.

Mr. MCINTOSH: Then a 100 per cent pensioner can be reduced at any time?

Mr. ANDERSON: If his condition improves, yes.

Mr. MCINTOSH: Is that on periodical medical inspection?

Mr. ANDERSON: That is right.

Mr. MCINTOSH: Are they called in so many times a year?

Mr. ANDERSON: In order to make the picture complete, I think I should point out that there are certain pensions which we call permanent or fixed. I think the members are quite familiar with the policy adopted some years ago whereby it was agreed that certain pensions would not be reduced. There are some which have not been changed for many years because of that policy. Nevertheless, where they are called in for medical examination from time to time, it is possible that their conditions may have improved, and if that is so the assessment will be decreased, and the pension correspondingly.

Mr. SPEAKMAN: And, conversely, it would be increased if the disability worsened.

Mr. ANDERSON: Yes.

Mr. HERRIDGE: In order that the committee clearly understands the question of permanent pensions, could an explanation be placed on the record, as there have been some misunderstandings?

Mr. ANDERSON: Some years ago the government of the day agreed, in the case of World War I pensioners whose pensions had been in payment for three or more years, that these pensions would not be reduced, and unless the individual so desired, he would not be called in for medical examination. There is a fairly large group of such pensions in effect now, and they have remained constant over the years. I think that is the explanation. Perhaps there is some point on which someone would like to ask me a question?

Mr. MCINTOSH: That applies only to World War I veterans?

Mr. ANDERSON: Yes.

Mr. CARTER: Mr. Chairman, I am about to bring up a different subject.

The CHAIRMAN: First of all, are there any other questions on this subject?

Mr. BROOME: In connection with one of the pensions for children in schedule B, which is all part of clause 1, the percentage increase was well above the 20 per cent. Would you tell us how this was calculated?

Mr. ANDERSON: Yes, Mr. Chairman. The reason for that is that in 1957 the children received no increase, so they were given at this time a 33½ per cent increase to bring them into line with what is being paid as a result of the two increases.

The CHAIRMAN: Did you have a question, Mr. Carter?

Mr. CARTER: That was the line of questioning I was going to pursue, and I want to continue with it.

I notice that the scale goes down for children, as though the children were disabled, or as though they were in some way affected by the disability of the parents. The two children of a 55 per cent pensioner receive only \$310 as compared to \$564 for a 100 per cent disabled person. How do you justify that principle? It seems to me that children are children and that they are the same burden on a 55 per cent pensioner as on a 100 per cent pensioner.

Mr. ANDERSON: Mr. Chairman, I think it should again be pointed out that the pension paid on behalf of the children is not pension to the children; it is a payment to the disability pensioner himself to assist him in looking after his wife and children, and it is assumed that if he is only 50 per cent disabled—and this is an assumption that was in existence long before my time and, I presume, before the time of any of us here—he needs only 50 per cent as much assistance in looking after his children as does a 100 per cent disability pensioner. I think that is the basis. However, you will notice that when the pensioner dies and the children become pensionable in their own right, there is then no difference; they all receive the same.

Mr. CARTER: Is there any relationship between the scale for children and the scale for the basic pension? What I mean is this: The 100 per cent pensioner with one child receives \$2,160, and the one child gets \$324. That is about one-fifth, or 20 per cent.

How is the basis arrived at that it is 20 per cent, and not 25 per cent?

Mr. ANDERSON: I suspect, Mr. Chairman, that it was simply an arbitrary figure which was reached many years ago. I am afraid I am not sufficiently familiar with the history of the Pension Act away back in those days to know what the basis was. Although I cannot tell you exactly, I would suspect it was an arbitrary figure agreed upon by certain people as being sufficient to provide for the maintenance of the child in the case of a disability pensioner.

Mr. PUGH: The figure of 33½ per cent was mentioned. Were there any other classes similar to this in 1957 which were not raised?

Mr. ANDERSON: The increases which were granted in 1957 varied with different groups, and some attempt was made here to level those out. Now, by and large, the average increase granted to all groups other than the children was approximately 20 per cent, although there is some slight variation in the amounts. The widows received a slightly higher increase than did the dependent parents, and so on. However, by and large, 20 per cent is the average of all those groups other than the children. In 1957 everybody except the children received an increase. But, as I say, the amounts varied from one group to another.

Mr. WEICHEL: I was pleased to hear Mr. Anderson mention that amount of 33½ per cent for the children. I was speaking recently to a 100 per cent pensioner and he was telling me that he thought his pension involved an increase of more than 20 per cent, but he had not taken into account the 33½ per cent for the children.

The CHAIRMAN: Has anyone else any questions?

Mr. THOMAS: Do all widows of certain classes receive the same pension? To amplify that question, does the percentage of disability granted to the veteran have any bearing at all on the amount of pension which his widow receives after his death?

Mr. ANDERSON: It has a bearing only if the pensioner dies of something other than his pensionable disability and the pension is below 50 per cent. In the case of a pensioner who is in receipt of a 50 per cent or greater pension, his widow is entitled to a pension on his death, regardless of the cause of

death; but, if it is below 50 per cent he must have died of his pensionable disability or from some cause resulting from his war service before his widow can qualify. Those are the only circumstances under which the rate of pension has any bearing on the pension for the widow.

Mr. THOMAS: Has the department ever calculated the cost of granting all widows the same pension rights—and I am referring to the widows of all veterans who are pensioned—instead of having the break at 50 per cent?

The CHAIRMAN: Perhaps we could obtain that information later.

Mr. ANDERSON: We have never undertaken to ascertain that.

Mr. HERRIDGE: Mr. Chairman, I would like to ask the chairman of the commission this question: Has there been any change in the table of disabilities since it was produced in the house on a motion moved by myself for production of papers?

Mr. ANDERSON: Yes; there have been several changes in the table of disabilities since the event you referred to occurred.

Mr. HERRIDGE: Have those changes been made public?

Mr. ANDERSON: No, they have not been, but they have been made available to certain groups.

Mr. CARTER: I would like to obtain a little further information on this final payment for disability below 5 per cent. How was that administered? Say, if a pensioner has a 15 per cent disability and he then gets down to 5 per cent, and then below 5 per cent, he ends up with a final payment of \$240. Can a person who has received a final payment re-apply for a pension later on?

Mr. ANDERSON: He never loses his entitlement; it continues indefinitely, once he gets it. If his condition ever worsened, he could go back to that level at which the disability was found to exist at that time. That is, if he had formerly been a 20 per cent pensioner and the disability cleared up but at some later date worsened to the extent that he was again 20 per cent disabled, he could again receive a pension at that rate.

Mr. PUGH: And, he could become a 100 per cent pensioner.

Mr. ANDERSON: Quite possibly he could, yes.

Mr. HERRIDGE: Mr. Chairman, I have another question to ask the chairman of the commission. Is there any percentage of pension cheques which is undelivered because of lost addresses or for other reasons?

Mr. ANDERSON: That does occur occasionally, Mr. Chairman, but I do not know of any that we have not been able to deliver ultimately.

The CHAIRMAN: Are there any further questions on these tables?

Mr. HERRIDGE: I have one more question, Mr. Chairman, and it is rather of interest to me—as I presume it is to other members of the committee when I ask a question.

An hon. MEMBER: Where are my earmuffs?

Mr. HERRIDGE: My question is this, Mr. Chairman. Are there many cases of forgery in connection with pension cheques—and I mean by that, the cashing of cheques by someone who is not entitled to do so?

Mr. ANDERSON: Yes. I can recall one case which occurred since I have been with the commission, and the cheque was forged outside the country. So it does occur very infrequently.

Mr. CARTER: Mr. Chairman, could Mr. Anderson tell us how many 100 per cent pensioners there are, and how they are divided as between World War I and World War II?

Mr. ANDERSON: Those figures could be obtained, Mr. Carter. I do not have them readily available at the moment.

The CHAIRMAN: Are there any further questions in connection with pensions for children? You will see this subject referred to at page 4. I would like to make sure that all questions are asked at this time in regard to this schedule.

Mr. THOMAS: Mr. Chairman, I note at the bottom of schedule B on page 4 there is a footnote which reads:

Pensions awarded to parents or brothers and sisters may be less than these amounts in accordance with the provisions of this act.

I wonder if the chairman of the commission could explain to us what those special provisions are?

Mr. ANDERSON: Yes, Mr. Chairman.

Section 38 of the act is the section under which pensions are paid to dependent parents, brothers and sisters, and section 38 is in all cases a discretionary section which leaves to the commission the discretion to pay a pension in an amount deemed necessary to the maintenance of the individual concerned. Subsection 5 of section 38 of the act directs the commission to review these pensions from time to time and to continue, increase, decrease or discontinue them in accordance with the amount deemed necessary by the commission to provide maintenance for such parent or person, but in no case shall such pension exceed the amount of the pension prescribed in schedule B; we cannot exceed that amount. But we have a discretion and, in fact, are directed by the act to reduce, decrease, discontinue or increase the amount to that deemed necessary for the maintenance of the individual at any time. These pensions are reviewed periodically, I might say, and changes are made as they appear to be necessary.

Mr. BEECH: Do I gather from what you have said that the meritorious pension will be considered in the light of this new increase?

Mr. ANDERSON: Mr. Chairman, the pensions paid under section 25 of the act—that is the meritorious pensions to which Mr. Beech has referred—are paid again at the discretion of the commission; but again they cannot exceed the pensions payable for people in similar circumstances under the various schedules. So, there again they can be adjusted up or down as the circumstances indicate.

Mr. HERRIDGE: Mr. Chairman, what is the usual practice of the commission if it finds a pensioner being paid a pension under this section who is earning an amount exceeding that which is stipulated?

Mr. ANDERSON: I would not say there is any particular usual practice, Mr. Herridge. This is entirely at the discretion of the commission. I know of cases where they have been reduced, and I know of cases where they have been left as they were. There is no requirement in the act which would make it necessary for the commission to reduce a pension in those circumstances. The commission may use its discretion.

Mr. HERRIDGE: The commission uses its discretion in light of the circumstances of the individual cases?

Mr. ANDERSON: Exactly, yes.

Mr. HERRIDGE: Thank you.

Mr. PUGH: Mr. Chairman, I would like to know if these changes have any effect on our pensions? Would this question properly arise here?

The CHAIRMAN: I do not think it does. I do not think there is any part in this bill affecting us. Mr. Mutch gave us very good coverage in this regard last year. In any event, would you leave your question until we reach clause 12 of this bill.

Mr. ANDERSON: Mr. Chairman, I now have the figures Mr. Carter requested, if I might be permitted to read them to the committee.

The CHAIRMAN: That will be fine.

Mr. ANDERSON: There are 3,000 one hundred per cent pensioners from World War I and 4,000 one hundred per cent pensioners from World War II. Those figures are, of course, round figures.

On clause 2—*Where allowance assistance or relief in payment.*

Mr. HERRIDGE: In respect of clause 2, Mr. Chairman, in what manner is the commission informed of the death of a pensioner or a child, or do they find that on occasion they are not informed for a period of time?

Mr. ANDERSON: Mr. Chairman, all pensioners are advised from time to time, and they have to fill out forms from time to time indicating their status, for one thing. Any change in their situation which occurs must be reported to the commission without delay, and it is on that basis that we receive most of the notifications of deaths, or any other changes, such as age, and so on.

Mr. HERRIDGE: You do not see much of problem there?

Mr. ANDERSON: There is no serious problem involved.

The CHAIRMAN: I take it that clause 2 is explanatory?

Mr. ANDERSON: Yes. It is not a particularly serious amendment, really.

The CHAIRMAN: If there are no further questions in this regard we will now consider clause 3 which deals with section 26 of the Pension Act.

On clause 3—*No pension to children over age limit.*

Mr. WEICHEL: There is an exception there in respect of a child over the age, who is going to university, is there not?

Mr. ANDERSON: Is there any question in regard to clause 3, Mr. Chairman?

Mr. ROGERS: What is the significance of subsection (9) as referred to in clause 3?

Mr. ANDERSON: Would you mind if I just take time to read it, please?

You will notice a difference in the way it reads, being that underlined portion:

in respect of whom additional pension is being paid.

In the old subsection the reference was simply to a minor child or minor children of pensionable age, and this of course is under 16 years in the case of boys and 17 years in the case of girls.

What we are doing here is providing for the continuation of a pension to a child who is attending school beyond these age limits. This has regard to those to whom an additional pension is being paid under section 26 (1) (a). We can pay the additional pension, and it can be continued, so long as the child continues to attend school, up to age 21.

Mr. PETERS: What is the method that will be used to decide this? Will there be a change in the certificate in order to ascertain that a child is attending school?

Mr. ANDERSON: Mr. Chairman, even now, we require a certificate signed by the principal of the school indicating that a child is attending school and that situation will continue.

Mr. HERRIDGE: Mr. Chairman, in regard to this same subject, the purpose of this amendment is to secure uniformity of these subsections and to provide that the housekeeper's allowance may be continued so long as there is a child under 21 years of age to whom, or in respect of whom a pension is payable. I would like to know whether, in the case of a child attending school at 20 years of age, a housekeeper's allowance would be provided?

Mr. ANDERSON: Yes, so long as the child attends school and is under 21 years of age a housekeeper's allowance can be provided.

Mr. WEICHEL: Mr. Chairman, would there be any extension beyond 21 years of age in the case of financial difficulty in a family?

Mr. ANDERSON: No, 21 years of age is the cut-off date with regard to additional payments for a child who is continuing in school.

Mr. CARTER: I am not quite clear as to the difference between subsections (9), and (10) of section 26 in clause 3. I take it that it is continued if there is a daughter or some other person who assumes the household duties in the case of the death of a wife; but what happens in the case of a widow where the father is already dead? If someone else assumes the mother's role in respect of this child, then that pension is continued the same as if the mother were alive?

Mr. ANDERSON: Yes.

Mr. Chairman, I might just explain that briefly. You will notice in subsection 10 (a), the second paragraph on page 6 it is left to the discretion of the commission to allow a pension to be paid to a daughter or other person. The old section 10 did not mention "other person" so it had to be a daughter and only a daughter, who would assume responsibility in order to continue the pension. There was a feeling that the provision in section 10 (a) should be continued in clause 10 of the act, and that is the reason for the amendment. Either a daughter or some other person can assume responsibility, and pension will be continued.

Mr. WEICHEL: Are we on clause 4 now?

The CHAIRMAN: We have not reached it yet, unless there are any questions on clause 3.

On clause 4—*wear and tear of clothing on account of amputation.*

Mr. WEICHEL: Has there been any increase in the amount provided for wear and tear of clothing?

Mr. ANDERSON: No, sir.

Mr. CHAIRMAN: Are there any other questions on clause 4? If not, we shall pass on to clause 5 which deals with section 34 of the act.

On clause 5—*veteran deemed to be married.*

Mr. HERRIDGE: This is a section in which I am very interested, and I am sure other members would be glad to know if you could give us any idea of the number of persons who would be affected by this amendment, or any idea of the number of persons who have been denied a pension previous to the inclusion of this clause in the bill.

Mr. ANDERSON: That is impossible because in most cases those who approached us for pensions, and who were in this unusual position, would go to our district offices and be told by the district pensions advocate or by one of our own people at the district office that under their circumstances they could not be pensioned. So there are no records of them. It is impossible to give a definite figure on it.

Mr. WEICHEL: How about the children, in that case?

Mr. ANDERSON: I am not sure what you mean. Do you mean, to clarify the status of children under section 5?

Mr. WEICHEL: Mr. Herridge was talking about the widow and I was wondering if children would get any pension, in the case of death of a common law wife.

Mr. ANDERSON: If they were acknowledged and maintained by the pensioner during his lifetime we would pay a pension under section 26 (4), as long as he keeps them in his own home, and maintains them.

Mr. CARTER: I was wondering about the possibility of a clash between this legislation and other veterans legislation with respect to the rights of a woman who is living with a man and who would qualify under this act. I was wondering would she qualify, if challenged by the woman to whom the veteran was married. Does this take away all rights from a woman who is not a legal wife?

Mr. ANDERSON: I think I should draw your attention to the fact that this provision is different to that contained in section 30 (11) (b) in the Veterans Allowances Act in that it is at the discretion of the commission. It was exactly because of the possibility mentioned by Mr. Carter that the section is made discretionary.

Mr. CARTER: Each case will be dealt with on its separate merits?

Mr. ANDERSON: Yes.

Mr. McINTOSH: I was just wondering whether this was retroactive or not?

Mr. ANDERSON: I think the last paragraph of the bill will answer your question.

Mr. McINTOSH: This clause says that if a man enlisted and had a common law wife he can draw a pension for her?

Mr. ANDERSON: No, it is at the discretion of the commission.

Mr. HERRIDGE: There was no doubt about it. In my opinion the section is well drawn. It is the circumstances of the veteran which have to be considered.

Mr. PETERS: Will this allow the re-opening of all these cases, where a person at the time of enlistment had a common law wife and his pension is on that basis. Then subsequently he dies, and the common law wife would not be entitled to a pension although he had always supported her. Will those cases now be re-openable?

Mr. ANDERSON: I would say we will receive a fair number of applications.

Mr. PUGH: Are you not using the term "common law wife" a little loosely? This section deals specifically with one being barred through previous marriage.

Mr. JONES: I wonder could I say a word on that point? As I understand it, where the validity of a marriage is in some doubt it is difficult for the pensions commission, or any tribunal, to determine the exact status of the marriage. I am informed this clause will allow them to go ahead and make these payments where there is that doubt. Mr. Pugh, as a lawyer, will have been conversant with this on many occasions that great entanglements arise on the question of the validity of marriages consummated in other jurisdictions, and divorces taken out in other jurisdictions. So it is not just a question of a common law wife.

Mr. PUGH: That is what I meant precisely. It is not just a question of the propriety of the thing. This goes further because, if the so-called wife becomes a so-called widow, then she is entitled to a pension.

Mr. ROGERS: I know one or two people who are living together and there is no reason for their not getting married. Does this section cover cases like that?

Mr. ANDERSON: No, sir, it would not. The persons involved must be barred from celebrating a proper marriage, as prescribed by the act.

On clause 6—*Maximum amount.*

Mr. HERRIDGE: This clause states that "the department may furnish and erect a standard headstone if the burial is carried out in Canada." If a veteran dies in a small community, what is the delivery procedure in regard to the headstone, and its erection?

Mr. ANDERSON: That information would have to come from the department. We have nothing to do with that. They provide the headstone if we give the burial grant.

The CHAIRMAN: Perhaps Mr. Lalonde could help.

Mr. LALONDE: This is done locally by the district staff. When they have established eligibility they give an order to a person, a contractor, who has a yearly contract with the department, for each area. That contractor is responsible for erecting the stone. A contractor gets such a contract only if he has submitted the lowest bid among a number of contractors.

Mr. HERRIDGE: I am speaking of this from some experience. I know of a small Legion cemetery where the Legion have a caretaker, and someone turns up at the cemetery to erect a headstone without even the caretaker knowing about it or knowing whether the person arriving with the headstone has authority to erect it. I am just wondering if, in these smaller places, the district offices make certain they are doing this work through proper channels?

Mr. LALONDE: Our staff can only advise the cemetery, in the first instance, that we will bear the cost of the funeral and burial and that the contractor making the stone will be there to erect it after the person has been buried. We have to contact the cemetery authorities to arrange funerals and burials, and notify them that the contractor will come in later to erect the headstones.

Mr. HERRIDGE: Are these stones made locally?

Mr. LALONDE: Yes. They do not come from a central establishment. They did until about three years ago.

Mr. HERRIDGE: Oh, that alters the situation, then.

Mr. CARTER: May I ask how the \$75 expenses are affected by the regular health schemes which are in effect in certain provinces?

Mr. ANDERSON: We do not take things of that nature into consideration if a man is a pensioner. If his family have bills they have to submit bills to qualify for this grant. If they submit accounts which indicate to the commission that in its opinion the bills should be paid, then they are paid up to the statutory maximum.

Mr. O'LEARY: This, of course, relates to medical expenses for the last sickness?

Mr. ANDERSON: Yes.

Mr. BEECH: May we have the amounts at present being paid by the Department of Veterans Affairs?

The CHAIRMAN: Mr. Lalonde, could you furnish those details.

Mr. LALONDE: You wish to know what the amount is at the moment, under the Department of Veterans Affairs Act?

Mr. BEECH: Yes.

Mr. LALONDE: I believe it is \$175 if there is only one funeral director, and a total of \$225 if there is an additional funeral director in a case where the body has been transported from one place to another for burial.

Mr. PETERS: Does the department pay the transportation charges for a body, let us say, from a veterans hospital to the home area?

Mr. LALONDE: Yes, we pay the transportation.

Mr. HERRIDGE: I have one more question on this clause. It says: "... the Department may furnish and erect a standard headstone ..."

That use of the word "may" bothers me.

Mr. ANDERSON: What is that again, please?

Mr. HERRIDGE: In clause 6 it says:

. . . the department may furnish and erect a standard headstone if the burial is carried out in Canada.

Why the use of that word "may"?

Mr. ANDERSON: I think it is possible that a man may not want a headstone. I cannot think of any particular instances under which that word "may" would come into effect but I am sure there might be some where you would not want it to be obligatory, because there might not be a need or a request for a headstone.

Mr. HERRIDGE: People might want a more elaborate stone.

Mr. ANDERSON: Yes, that is right.

Mr. PETERS: If they do want a more elaborate stone, would the department pay this amount towards the cost of it?

The CHAIRMAN: In other words, can this be a contribution towards a more expensive stone?

Mr. PETERS: Yes.

The CHAIRMAN: Perhaps Col. Lalonde might answer.

Mr. LALONDE: No, Mr. Peters. We erect a marker ourselves; and if the next of kin does not want our marker, then he must erect one at his own expense.

Mr. HERRIDGE: I have one more question on this clause. It is in connection with a pensioner who receives a grant—or rather whose relatives receive a grant of \$75 towards the expenses of his burial. Let us say that pensioner was in very poor circumstances. How is this related to his application for assistance under the Last Post Fund?

The CHAIRMAN: What is that again, please?

Mr. HERRIDGE: I am sorry. With respect to a pensioner who may die in circumscribed circumstances financially, and whose relatives receive \$75 assistance towards his burial: how is that related to an application to the Last Post Fund for further assistance? It does not prevent that application, does it?

Mr. LALONDE: I cannot visualize the type of case you are referring to. If a veteran is to be buried by the Last Post Fund, an application will be made there directly; and if he is eligible, he will be buried entirely at the expense of the Last Post Fund. But how could his next of kin receive a contribution when they have not paid the cost of the funeral and burial? I do not know how that could happen.

Mr. HERRIDGE: The next of kin could not accept the \$75 and then ask the Last Post Fund to make up the balance of the cost of burial in certain circumstances?

Mr. ANDERSON: May I clarify this matter somewhat by pointing out that the \$75 is for the expense of the pensioner's last sickness and has nothing to do with his funeral.

I am not aware of what restrictions may be contained in the Last Post Fund regulations. But we, as a commission would not enter into the picture there. We would simply pay whatever the bills there were up to a maximum \$75. If they were to be paid under the provisions of clause 6(2)(c), and if the widow were to apply to the Last Post Fund, I am not sure what would happen.

Mr. HERRIDGE: You have nothing to do with it?

Mr. ANDERSON: No.

The CHAIRMAN: Lady and gentlemen, is there anything else on clause 6? If not, and since it is now twenty minutes after twelve, and I see some restless members, what about tomorrow? I think we should adjourn now, but what about a meeting tomorrow? I know it is caucus day, and if we have a meeting, I think it would have to start at quarter to ten and wind up at quarter to eleven.

We have not got too far, and I personally would like to see us have a meeting. What is the wish of the members?

Mr. WINKLER: Mr. Chairman, I move that we meet at quarter to ten tomorrow morning.

Mr. WEICHEL: I second the motion.

The CHAIRMAN: You have heard the motion. Is there any discussion? Is it satisfactory? Then it is settled that we do have a meeting on Wednesday morning at quarter to ten.

Mr. WINKLER: What room will it be in?

The CHAIRMAN: I shall have to find out. We now stand adjourned until tomorrow morning at nine forty-five.

HOUSE OF COMMONS
Fourth Session—Twenty-fourth Parliament
1960-61

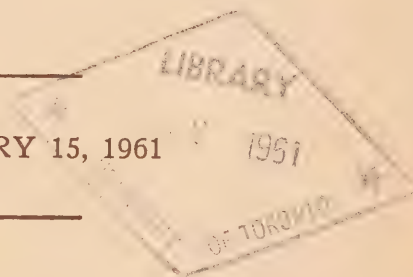
STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

FEBRUARY 15, 1961



BILL C-67, AN ACT TO AMEND THE PENSION ACT

WITNESSES:

Mr. T. D. Anderson, Chairman of The Canadian Pension Commission, and
Mr. L. A. Mutch, Deputy Chairman.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai,	Jung,	Pugh,
Batten,	Kennedy,	Roberge,
Beech,	LaMarsh (Miss),	Robinson,
Benidickson,	Lennard,	Rogers,
Broome,	MacEwan,	Smith (<i>Lincoln</i>)
Cardin,	MacRae,	Speakman,
Carter,	Matthews,	Stearns,
Clancy,	McIntosh,	Stewart,
Denis,	McWilliam,	Thomas,
Fane,	Montgomery,	Webster,
Forgie,	O'Leary,	Weichel,
Fortin,	Ormiston,	Winkler.
Herridge,	Parizeau,	
Jones,	Peters,	

R. L. Boivin

Clerk of the Committee

REPORT TO THE HOUSE

WEDNESDAY, February 15, 1961.

The Standing Committee on Veterans Affairs has the honour to present its

SECOND REPORT

Your Committee recommends that it be empowered to print, from day to day, 2,500 additional copies in English and 200 additional copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

Respectfully submitted,
G. W. MONTGOMERY,
Chairman.

(The said report was concurred in by the House the same day.)

MINUTES OF PROCEEDINGS

WEDNESDAY, February 15, 1961.

(3)

The Standing Committee on Veterans Affairs met this day at 9.50 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Badanai, Batten, Beech, Broome, Carter, Clancy, Fane, Fortin, Herridge, Jones, Kennedy, Lennard, MacEwan, Matthews, McIntosh, Montgomery, O'Leary, Parizeau, Peters, Pugh, Robinson, Rogers, Smith (*Lincoln*), Speakman, Weichel, and Winkler.—26.

In attendance: Messrs. L. Lalonde, Deputy Minister, C. F. Black, Secretary of the Department; W. T. Cromb, Chairman of the War Veterans Allowance Board. *From the Canadian Pension Commission:* Mr. T. D. Anderson, Chairman, Mr. L. A. Mutch, Deputy Chairman; Dr. W. F. Brown, Chief Medical Adviser; Mr. K. M. Macdonald, Secretary; Mr. A. L. Fortey, Assistant Secretary, and Miss Dickison.

On motion of Mr. Herridge, seconded by Mr. Pugh,

Resolved,—That the Committee seek permission to print a maximum of 2,500 additional copies in English and 200 additional copies in French of its Proceedings and Evidence and that Standing Order 66 be suspended in relation thereto. *Carried unanimously.*

The Committee then considered clauses 7 and 8.

At 10.45 o'clock a.m. the Committee adjourned until 10.30 o'clock a.m. on Thursday, February 16th.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

WEDNESDAY, February 15, 1961.

9.45 a.m.

The CHAIRMAN: Gentlemen, will you please come to order. Before we proceed with today's business I would like to clear up this matter in connection with the number of copies to be printed. We got a little mixed up yesterday and I asked Mr. Pugh, Mr. Herridge and Mr. Forgie to look into it. At this time I am going to make a statement, and a motion will follow.

At yesterday's meeting, as you will recall, a resolution was passed seeking to obtain permission to print 1,500 copies in English and 500 copies in French of the proceedings. The committee also deferred consideration of another motion to supply the Canadian Legion with 2,500 copies of the proceedings for Thursday's sitting.

Should the committee decide to supply the Canadian Legion with these extra copies, as it has done in the past, then it would have to submit another report to the house in order to obtain the required authority.

May I suggest that we present only one report to the house and obtain permission to print the maximum number of copies that we will require. The committee would then be in a position to order from day to day the number of copies that it feels expedient to print. On special occasions, the committee could order supplementary copies up to a given maximum. I take it that on all other occasions, the committee would order the number of copies we were authorized to print in the first motion of the House.

This is the course of action we have taken in the past. When we felt we needed extra copies we went back and asked for them. I feel that it will save us a lot of trouble if we do not have to go to the house each time we wish to increase the number of printed copies. Is that understood?

Some hon. MEMBERS: Agreed.

Mr. HERRIDGE: I might point out, Mr. Chairman, that that was my motion yesterday.

The CHAIRMAN: Yes, and it was deferred.

Mr. LENNARD: Mr. Chairman, I made a motion yesterday, and I am willing to go along with this in order that we do not waste any more of the committee's time.

The CHAIRMAN: Yes. I spoke to Mr. Lennard about it. If we went to the house for 1,500 copies, that might not do us another day.

Mr. HERRIDGE: Mr. Chairman, I have a motion. Acting in the nature of a robot, in view of the fact that the house already has empowered the committee to print 1,000 copies in English and 300 copies in French, I move that the committee seek permission to print a maximum of 2,500 additional copies in English and 200 additional copies in French of its proceedings and evidence, and that standing order 66 be suspended in relation thereto. Should the committee agree to this motion and should it obtain the required permission from the house, it could then order the printing of a total of 3,500 copies in English and 500 copies in French.

My motion is seconded by Mr. Pugh.

The CHAIRMAN: The motion has been read by Mr. Herridge and seconded by Mr. Pugh. Gentlemen, you have heard the motion; is there any discussion? If not, all those in favour?

Motion agreed to.

The CHAIRMAN: We will proceed now with the business we have. Do you have a question, Mr. McIntosh?

Mr. McINTOSH: Mr. Chairman, with your permission I would like to go back to paragraph 2, and ask one question.

In respect of the explanation on the page opposite page number 5 which reads:

The purpose of this amendment is to authorize the recovery of any overpayment of war veterans allowance to a pensioner that results from the award of a retroactive pension or a retroactive increase of pension.

I wonder if Mr. Anderson could explain the last portion of the sentence, being "award of a retroactive pension or a retroactive increase of pension"? It would seem that recovery had been made previously but without authority, and this now will establish that authority.

Mr. ANDERSON: Yes, Mr. Chairman, that is right. As you may realize, awards are frequently made to individuals who are in receipt of war veterans allowance, and the awards can be made retroactive for a period of up to three years. This means then that during a certain period of time the veteran in question has been receiving both war veterans allowance and pension. Of course that is not permitted under the legislation, so there has to be a recovery made. Actually the provisions of subsection 9 of section 24 have been used by the treasury people to make recovery. It has been questionable up to now whether clear authority existed in this legislation for them to do so. We feel that this amendment will provide that authority, and that is the basis for it.

Mr. McINTOSH: You mean the veteran would have been receiving more than the maximum he would have been allowed under war veterans allowance?

Mr. ANDERSON: That is correct.

Mr. McINTOSH: There would have to be a recovery made in that event?

Mr. ANDERSON: That is right.

On clause 7—Date for entitlement.

Mr. HERRIDGE: This just brings the terminology into line with the words used in the other sections?

Mr. ANDERSON: That is right.

Mr. CARTER: I take it the only change is in respect to the words "in any of the classes one to eleven"? That is the only new part of this, am I correct?

Mr. ANDERSON: Section 36 (3) in the existing act reads:

Except as otherwise provided in this act, the widow of a member of the forces who was, at the time of his death, in receipt of a pension *at the rate provided in schedule A for any of classes one to eleven.*

This would mean that the veteran had to actually have been in receipt of a pension at that rate.

Mr. CARTER: Yes.

Mr. ANDERSON: That was inserted in 1957 and we are now changing it back to the way it was before 1957, which provided that if a veteran had entitlement in any of these classes the widow was eligible. This will bring it into line with the other sections of the act, as stated in the explanation.

Mr. SMITH (*Lincoln*): I am sorry, Mr. Chairman, that I was not here yesterday. This is the first time I have been a member of this committee.

I believe it is section 36 that provides that a pension paid to a widow ceases if it is not 50 per cent or over; am I correct in that?

Mr. ANDERSON: That is right, sir, yes.

Mr. SMITH (*Lincoln*): Is there any change made in that section or does it remain as it was?

Mr. ANDERSON: Yes, there is a change. The words which are underlined in clause 7 of the bill are different from those words in section 36 (3) of the existing act.

Mr. CARTER: I am at a loss in understanding or drawing a distinction between what is underlined here and what it was before. It now says; if he is in receipt of a pension in any of the classes one to eleven. Could the veteran be in receipt of a pension in any of the classes from one to eleven and not be at the rate in respect of one to eleven?

Mr. ANDERSON: Perhaps I had better explain just what the problem is.

You will recall that under sections 20, 21 and 22 there was a provision whereby if a claim is entered against a third party and damages are collected, or in the case of a claim being paid, the amount of pension is reduced to only the amount of the difference between the amount collected from the third party and what he would otherwise have been paid as pension. If it is stipulated that it definitely must be the sum of money the veteran would receive in classes one to eleven, the veteran would be ruled out for pension; but if you simply say that the veteran is in receipt of a pension, even if he is getting less than what is provided in classes one to eleven, but is in one of those classes originally, then the benefit is continued.

Mr. SMITH (*Lincoln*): I take it that there is no great difference in that, and where the pension was less than 50 per cent it will still cease when the husband dies?

Mr. ANDERSON: That part of it has not been changed.

Mr. SMITH (*Lincoln*): I understand there is no intention to change that portion at this time?

Mr. ANDERSON: There is nothing in this bill which would change it, no.

Mr. SMITH (*Simcoe North*): Was there any consideration given to that situation at the last meeting, or has it been discussed?

The CHAIRMAN: We have just begun the consideration of this clause.

Mr. HERRIDGE: I would suggest, Mr. Chairman, that these problems in respect of further amendments can be dealt with after we have heard from the veterans organizations.

On clause 8—Discretionary pension to parent in certain cases.

Mr. O'LEARY: The first thing I note here, Mr. Chairman, is that the increase only amounts to 12½ per cent. Could Mr. Anderson give us an explanation in this regard?

Mr. McINTOSH: If you refer to schedule B, the 1957 scale of pension, you will notice that for a child or a dependent it was \$240, and for an orphan child it was \$480. Referring to clause 8 you will notice that it has been increased to \$540. Could you explain this difference?

Mr. O'LEARY: The actual difference is the increase from \$480 to \$540.

Mr. ANDERSON: I think perhaps Mr. Chairman I should explain that this is a secondary benefit. The widow of the veteran could be receiving her full pension and a dependent parent could still receive \$540 on top of that. This

would mean that two people would be receiving a pension here. This is not a question of paying only a dependent mother, but involves provision for a dependent mother when there is a pension being paid to the widow as well.

Mr. McINTOSH: Where does the figure \$540 come from?

Mr. ANDERSON: It is the increase over the \$480, or whatever it was in the old bill.

Mr. O'LEARY: It amounted to \$480.

Mr. McINTOSH: The \$480 was actually double what a single child would receive?

Mr. ANDERSON: There is no relationship between this and what a child receives, Mr. Chairman. This is a separate matter which provides a measure of protection to a dependent parent where the veteran or pensioner also left a widow, or a child, or children.

Mr. O'LEARY: It is obvious from what Mr. Anderson has said that this particular dependent's pension differs from all others in respect of the increase.

Mr. ANDERSON: The only way I can answer that question, Mr. Chairman, is by saying that it always has been different. I think it should be remembered also that if a widow, who is receiving a pension, either remarries or dies, then the dependent parent can receive a pension at the rate set out and provided under section 38.

Mr. CARTER: This clause just increases the amount from \$480 to \$540, is that right?

Mr. ANDERSON: That is all it does.

Mr. ROGERS: Do many cases of this type exist?

Mr. ANDERSON: I believe there are a fair number of them, but I would not like to quote a figure off-hand.

Mr. PETERS: They would be expected to live with the other recipients of the pension, would they not?

Mr. ANDERSON: I am sorry, could I have that again?

Mr. PETERS: Under this clause, would the parent be expected to live with the other recipients of the pension?

Mr. ANDERSON: In some cases they do, but I think in the majority of cases they do not.

The CHAIRMAN: They are not required to?

Mr. ANDERSON: Not under the legislation, no.

Mr. CARTER: The thing that bothers me a bit is that this increase from \$480 to \$540 does not seem to be in proportion to the other increases that have been set forth in the scale, in the schedule.

Mr. ANDERSON: Of course, that is a matter of policy over which I, personally, have no control. It is not my prerogative.

Mr. CARTER: If the \$480 was established on a sound basis, and the same reasons apply to this case as apply to justify the other increases, then we would expect this increase to be in the same proportion. I think that is the reasoning of most members. That \$540 is a little less now than an old age pensioner would get.

The CHAIRMAN: Was this amount raised in 1957?

Mr. ANDERSON: Yes, I believe it was. Yes, there was an increase granted. I had better check that because I am not quite sure.

Mr. ROGERS: What happens to the dependent when she gets the old age pension? Is she allowed to carry on with this allowance as well?

Mr. ANDERSON: She can. It is possible.

Mr. ROGERS: It is not reduced?

Mr. ANDERSON: Not necessarily.

Mr. PUGH: What do you mean by "can"?

Mr. ANDERSON: This is discretionary.

Mr. PUGH: In any case where it has been carried on, has there been a compassionate reason for it, or what?

Mr. ANDERSON: I would have to check that but I think there would be cases where, perhaps, there might be other income besides old age pension, the two together might put her in a class where she would be receiving an amount in excess of the total amount we can pay, which is the maximum under the schedule.

Mr. ROGERS: Do you not pay to the maximum always?

Mr. ANDERSON: Not necessarily.

Mr. ROGERS: What would be the considerations involved?

Mr. ANDERSON: If you are speaking now of section 38—

Mr. ROGERS: We had better straighten this out. What is the maximum allowed under this?

Mr. ANDERSON: Are you speaking now about this particular section 38 (2)?

Mr. ROGERS: You brought the point up about the maximum and I am just wondering what you meant by it.

Mr. ANDERSON: It depends on what you are speaking about. If you are speaking about this, then the maximum is \$540; and if you are speaking about pensions to dependent parents under section 38, the maximum is the amount provided in the schedule for those classes.

Mr. PUGH: To go further with this, you say "we might", and I believe you also said where an old age pension was paid, then this allowance might still go on. I was wondering what the considerations were.

Mr. ANDERSON: It would depend on what total income was, including old age pension and income from all other sources.

Mr. PUGH: The chief consideration would not be anything in the nature of a compassionate grant?

Mr. ANDERSON: No, this is not compassionate legislation. This is strictly designed to ensure that the dependents of a man who lost his life on service will not be in need; and it provides, as I pointed out yesterday, section 38 (5) states that the pension to any parent or person in the place of a parent is subject to review from time to time and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the commission to provide a maintenance for such parent or person, et cetera.

Mr. HERRIDGE: Mr. Chairman, it is correct to say that this is a compassionate pension based on need?

Mr. ANDERSON: That is right.

Mr. HERRIDGE: You have to take into account the income of the pensioner and, if the person has income from other unexpected sources, that has to be taken into consideration?

Mr. ANDERSON: This is not a pension as of right, in the way that a disability pension is a pension as of right. This is a pension to protect the dependent parent or widow or someone related to the veteran.

Mr. ROGERS: Mr. Herridge is not quite right in that. This \$45 a month is not sufficient to keep anyone alive.

Mr. HERRIDGE: Mr. Chairman, I am not suggesting \$45 a month is enough. I am suggesting the principle behind this clause.

Mr. ROGERS: That principle is not quite right. If the aim is to see that no dependent is in need, then \$45 a month is not sufficient.

Mr. ANDERSON: In this case the dependent parent would of course have to have other sources of income; but this legislation, as I said at the beginning, provides additional assistance to a parent where there is a widow or children in receipt of pension as of right.

Mr. ROGERS: I think that clarifies it.

Mr. PUGH: Is the maximum \$45 a month?

Mr. ANDERSON: When this becomes legislation.

Mr. PUGH: To take this a little bit further, I still have not got it right. Is it the money ceiling or the compassionate level or what? Suppose a dependent is totally dependent on the receipt of this money and the maximum is \$45 a month, is there any other act under which she may qualify through the veterans charter?

Mr. ANDERSON: Not under the Pension Act. As you know, there are provisions in provincial legislation, and so on, whereby these people can receive assistance.

Mr. PETERS: May I ask, is the maximum laid down by the department considered satisfactory? You mentioned that the pension could go this high but that it need not necessarily go this high if the recipient had the \$45 old age pension. Would that be considered to be above the amount that person would be entitled to?

Mr. ANDERSON: No. She could receive those two sums without any reduction.

Mr. CARTER: Could you give us any idea of—

The CHAIRMAN: Mr. Broome has his hand up.

Mr. BROOME: I should like to ask three or four questions on this. Mr. Anderson, let us take a hypothetical case, which is not quite as hypothetical as it might be. If a veteran is granted entitlement but dies before the day of entitlement and his case goes through the various appeals, and so on, and he is adjudged 5 per cent, 10 per cent, or 15 per cent, or whatever it may be, is this the section under which the commission has a discretionary power to give a compassionate pension to the widow? In other words, I am referring to a specific case of which you have a certain knowledge and about which I have talked to you. Is this the section under which I would be asking for consideration there?

Mr. ANDERSON: No. Section 25 is the section under which you would be asking for consideration.

Mr. BROOME: Why could I not ask it under this too?

Mr. ANDERSON: This applies only to dependent parents.

Mr. BROOME: The clause says, "where a member of the forces has died leaving a child, widow or divorced wife." It starts off, "child, widow—"

Mr. ANDERSON: It deals only with dependent parents.

Mr. HERRIDGE: This provision was placed in the act some years after the act was first established, at the request of various organizations, the widows already having pensions. Then these cases were brought to the attention of veterans' organizations. Representations were made and it took some time to get this section in the act. Now, if Mr. Rogers wants to increase it to a higher percentage, I shall certainly support him. What I was trying to do was to indicate the principle behind it. The widows were already receiving pensions and this is some additional assistance to the dependent parent.

Mr. JONES: If there were two parents receiving pension, each of the parents could receive the \$540.

Mr. CARTER: What I should like to find out is why it has not been felt necessary to increase this amount by the 20 per cent increase, the same as has been done for other pensions provided for in the bill. We have made changes in pensions which amount roughly to 20 per cent across the board and here we come to a case where it is less than 20 per cent. Is there some good reason why this increase should not be the same as the others?

Mr. ANDERSON: I am not prepared to give a definite answer to that but I would suspect this is because of the fact, as Mr. Herridge has stated, there is full pension payable to widows and children; for a widow the increase is 20 per cent and for a child 33½ per cent. Therefore, while this was never deemed to be sufficient to maintain a person, and even if you make it 20 per cent it still would not be sufficient to maintain them at a satisfactory standard of living. This is designed only as additional assistance to dependent parents and it was felt, I presume, that there was no justification for increasing it by a similar amount.

Mr. CARTER: Do you have figures of how many people are receiving assistance under this section?

Mr. ANDERSON: We could get them. They are—mothers, World War I, 609; World War II, 5,139.

Mr. CARTER: That is quite a sizable number of people.

Mr. ANDERSON: The figure for fathers is 66 from World War I and 495 from World War II.

Mr. WEICHEL: May we have those figures again, please.

Mr. SPEAKMAN: This is a pension as of right.

Mr. ANDERSON: Oh no.

Mr. SPEAKMAN: This is additional to pension as of right?

Mr. JONES: I think it should be pointed out that since the veteran originally supported his parents, he himself took on additional responsibilities by marrying, this would ordinarily have cut out his parents from any pension; so that now, with the veteran having made that decision himself, there is still provision for providing for those originally receiving some support when he joined up.

Mr. BEECH: Mr. Chairman, I would like to point out in subclause 2, where the commission assumes that there are children who should be earning a sufficient amount to permit them to contribute to the support of such parents, that while they should perhaps be earning sufficient, yet in many cases they may not; they may be unemployed, or sick.

So I wonder if we should not change it to "children who are residing with him or her, and who are earning an amount that is sufficient"?

It is all right to say that they should be earning, but there may be reasons why they cannot.

The CHAIRMAN: You are on subclause 2?

Mr. BEECH: Yes.

The CHAIRMAN: I wonder if we have finished with subclause 1?

Mr. ANDERSON: I would like to correct the record. Those figures which I quoted were for all parents in receipt of pension, not just those under this particular section 38 (2).

We do not have the breakdown, but it can be obtained. We can get it for you at a later date.

Mr. CARTER: I would like to establish one fact. Nobody receives assistance under this section without having some other source of income. This is just a supplement to other sources of income.

Mr. ANDERSON: We would not necessarily know whether or not they had any other source of income. We would have to carry out an investigation to find that out. No, I do not think it can be said that this is only paid when we are assured that they have some other source of income.

Mr. CARTER: My point is that it is possible that some would be in a position of having to exist on this payment, and that this would be the only source of income they had.

Mr. ANDERSON: That is possible, yes.

Mr. PETERS: They will be dead very shortly, if they have to.

The CHAIRMAN: Back of all this, gentlemen, is the fact that if the veteran had lived, he might not have been contributing anything to their support.

Mr. JONES: This is antedating the entitlement back to the veteran at the time of his enlistment. If he, at the time of his enlistment, was making provision for dependent parents, and then the veteran decided to get married, that would ordinarily have cut out the parents from any pension at all.

So, under this section such a parent will get \$540. The last change made in this section was in 1948 when it was increased to \$480 per annum at that time.

This section has not been amended since 1948 until the present time.

Mr. McINTOSH: I still cannot understand this 12½ per cent. Commencing in 1957 there was no increase in the dependent's allowance.

Mr. ANDERSON: You mean this particular section?

Mr. McINTOSH: Yes.

Mr. ANDERSON: No, there was no increase in section 38 (2).

Mr. McINTOSH: To bring it up you decided there should be an increase of 33½ per cent?

The CHAIRMAN: It is not fair to say that the commission decided.

Mr. McINTOSH: Well, the government, or parliament, or the minister, or whoever you want. So it was decided to bring it up to 33½ per cent. Why set an arbitrary figure of only 12½ per cent then?

Mr. JONES: I think there are special considerations here, because no change was made in 1957, or in 1952 when the last changes were made in the Act as a whole. But I will look into the matter to see what consideration has come to bear on this particular section.

The CHAIRMAN: Do you wish to add anything?

Mr. ANDERSON: No, it is out of my field.

The CHAIRMAN: I guess we cannot help you any more.

Mr. McINTOSH: We will take it up again.

The CHAIRMAN: The parliamentary secretary said he would look into it.

Mr. SMITH (*Lincoln*): A widowed mother had two sons killed in the last war. She is now getting the veterans allowance. Would she be entitled to that money?

Mr. ANDERSON: Under 38, yes, she could certainly apply under the section.

Mr. SMITH (*Lincoln*): This case comes to mind because it is a very urgent one. Another son, who is alive, started to give \$40 a month to help her along. That sum was immediately deducted from the veterans allowance. Could she come under that section here?

Mr. ANDERSON: She could certainly apply to the commission for consideration under this section.

Mr. SMITH (*Lincoln*): They say she would then receive the full amount of the mother's allowance as well as \$40?

Mr. ANDERSON: Oh no.

Mr. SMITH (*Lincoln*): The \$40 would be deducted from the mother's allowance?

Mr. ANDERSON: As I said a few minutes ago, going back to section 38 (5):

The pension to any parent or person in the place of a parent is subject to review from time to time and shall be continued, increased, decreased or discontinued in accordance with the amount deemed necessary by the Commission to provide a maintenance for such parent or person, . . .

So the commission must take into consideration income from other sources, in deciding what shall be paid. The basis on which the commission must decide is the amount required to maintain the individual.

Mr. SMITH (*Lincoln*): So the possibility is that she might qualify for part of it?

Mr. ANDERSON: Yes.

Mr. BROOME: On that same subject, Mr. Chairman, and Mr. Anderson, I have an actual case. I am thinking of a woman who had two sons in the air force. Both were killed on the same day. Her husband was under the war veterans allowance and he died.

This is subsequent to the death. The two children would have been her only support. In that case would she have any consideration under this section?

Mr. ANDERSON: I believe so. She could apply for assistance under section 38.

Mr. BROOME: As well? In other words, she could not get—she is under the war veterans allowance now of course, because of her husband's dying, and he was under the W.V.A.; but actually, she would have been much better off if she were considered to be a dependent of the two boys who were killed.

Mr. ANDERSON: It is possible. And she is quite eligible to apply to us for a pension under section 38.

Mr. HERRIDGE: I understood Mr. Jones, the parliamentary secretary, to say he would look into section 38 (2); I mean, he will bring it to the attention of the minister, and say that the committee would like to have an explanation why these widows, these dependent parents have not received the same percentage increase that other pensioners would receive under this bill.

Mr. JONES: I will look into the whole situation, including the reasons which originally motivated this section, and the reason it was not increased in 1952 and in 1957.

Mr. CARTER: It seems now, from what has been said of these figures that \$540 is more or less a ceiling on the discretionary payments which the pension commission may make in various cases.

If that figure were raised to \$640 or \$740, it would not necessarily mean that there would be any additional charge on the crown. If there were, it would be only in very exceptional cases where the dependant would have no other source of income, and could not get any other assistance except from this source.

I think this is one of the figures which could be increased without increasing the public liability to any extent, or at least to an appreciable extent.

The CHAIRMAN: May we not wait until Mr. Jones brings in his report? We can discuss that part of it later.

Mr. O'LEARY: I appreciate what is going to be done; and since I raised the question, I have just this one final question: Is this the only type of dependant's pension that is qualified as not of by right?

Mr. ANDERSON: All of section 38 is in that category, Mr. Chairman. There are 8 subsections.

The CHAIRMAN: Let us pass on now to subclause 2 of clause 8 on page 8 of the bill.

Mr. O'LEARY: I asked that, because that seems to be within the argument used, that it was not of right.

Mr. BEECH: Mr. Chairman, do I understand that we are now on clause 2 of subsection 6 of section 38 on page 8?

The CHAIRMAN: Yes.

Mr. BEECH: The point I am trying to raise is that they have changed it now to "children" from "unmarried children". I understand that is the change. The thing that concerns me is that it says "residing with him or her who should". It is all right for us to assume they should be earning sufficient money to contribute, but I do not think that is fair. I think it should be those who actually are earning that amount rather than that we should assume they are, and make the deduction on the basis that they should be earning that money and should be contributing.

Mr. CARTER: Yes. The trouble is "should be contributing" and "is contributing" are different things. It says "should be earning". The person may not be able to work.

Mr. ANDERSON: I would like to speak very briefly about this problem because it is a problem. We have come across cases, not an unlimited number but a fair number, where it is pretty obvious that the children would not work. So long as they could stay home and have the parent support them from the pension they would stay at home. This is designed to stop that sort of thing.

Mr. BEECH: On the other hand they may be wholly unemployed.

Mr. ANDERSON: If there are mitigating circumstances there will be other provisions made for them. The purpose behind this is to ensure that several children, including their wives and families, do not go home and stay with their parents who are in receipt of pension and are barely able to support themselves. Sometimes such parents find they have to support all these other people who can and should be working.

Mr. HERRIDGE: Could we change the word from "should" to "can"?

Mr. McINTOSH: It says "not less than ten dollars a month". We are on clause 2, subsection 6 of section 38 on page 8?

The CHAIRMAN: Clause 2, subsection 6 of section 38 on page 8.

Mr. McINTOSH: It says "such child shall be deemed to be contributing not less than ten dollars a month towards such support". Who determines the maximum?

Mr. ANDERSON: The commission determines that.

Mr. CARTER: That is the minimum.

Mr. ANDERSON: Yes. The question was who determines the maximum. The commission does that. But they can adjust it if they wish.

Mr. CARTER: Do we understand that if there is a dependent person who has a child who the pension commission thinks should be working, because that child is not working the \$540 is now reduced by \$120? Is there any connection between this and the other one?

Mr. ANDERSON: This does not relate to 38(2). The section says:

When a parent or person in the place of a parent has children residing with him or her who should, in the opinion of the commission, be earning an amount sufficient to permit them to contribute to the support of such parent or person, each such child shall be deemed to be contributing not less than ten dollars a month towards such support.

It is assumed that if this child is of age, is fit and so on, that the child should be discouraged from staying home and living on the parents who are being supported by a pension, because it is little enough for the parents to live on, as it is.

Mr. CARTER: Do you mean the \$540 or any pension?

Mr. ANDERSON: Any pension under section 38. It has nothing to do specifically with the \$540. It is any pension under 38.

Mr. PETERS: What I wanted to know is whether the \$10 comes off the \$45 a month. What is the total earned income by the parent in this case? Could we have that figure?

Mr. ANDERSON: Do you mean the maximum total permissible income?

Mr. PETERS: Yes, for a person with the maximum of \$540.

Mr. ANDERSON: Under the new legislation there will have to be some changes made in our maximums. There is no maximum established by the act. Since all these charges under section 38 are at the discretion of the commission, it is the responsibility of the commission to establish maximums which are strictly for guidance.

Mr. PETERS: Could we have a copy of the regulation the commission uses for the maximum?

Mr. ANDERSON: We can provide you with the figures which are in use now under the existing legislation, but we have not established figures under the new legislation.

Mr. PETERS: How were they established originally? No doubt there would be some relationship between the establishment of the original figure now in use and the new figure.

Mr. ANDERSON: Yes. They were established on the basis of what was done under other similar legislation such as the War Veterans Allowance Act, but they are established by the commission.

Mr. PETERS: Are they regulations which are available to the public?

Mr. ANDERSON: No.

Mr. PETERS: Are they available to the advocates?

Mr. ANDERSON: The advocates certainly are aware of what they are.

Mr. CARTER: It seems to me there is a clash of principles in this section. If this section applies to all pensions, which would include pensions as of right, then certainly those pensions as of right should not be reduced because the parents choose to share it with their children.

Mr. ANDERSON: These do not apply to pensions as of right. Nothing in 38 applies to pensions as of right.

Mr. CARTER: To what does this apply?

Mr. ANDERSON: Pensions paid to dependents brothers and sisters, at the discretion of the commission.

Mr. CARTER: The \$10 a month will be considered as a contribution to the parents. Does that mean income to the parents?

Mr. ANDERSON: Suppose we decide the parent needs a certain amount to maintain him or her and there is a person living with them, a son or daughter, who is old enough and should be capable of earning. In that case we simply deduct \$10 from the total amount.

Mr. CARTER: That question was asked and I thought the answer was no. So in other words that \$10 a month or \$120 a year would be deducted from the \$540 or whatever is being paid.

Mr. Mutch: There is a little confusion here I think. This \$540, which is an arbitrary legislative sum, is fixed for one reason and one reason only. That is the maximum amount which a parent may receive on behalf of the son or daughter who was in service, and a pensioner. Where there is a widow or pensioned children in the case of a deceased veteran, subclause 2 simply concerns a change by legislation in the arbitrary ceiling. When you come to subclause (2) of section 38 all you have said with respect to that subclause would be applicable to 38 (6), the section which deals with the money paid under a ceiling established by the commission under statute. The amount in subclause (6) is limited arbitrarily here in the statute where it says that when we are considering whether or not a parent or parents require a certain amount of money the amount we can pay must be reduced by at least \$10 for each unmarried child—in the old act, before the present act—whether or not that child in fact is contributing \$10 a month.

The change is that hitherto there have been married children living at home. The act apparently has precluded us from making any deduction on behalf of a married child who is living at home. If this amendment goes through we will be able to assess that \$10 against a son who marries, brings his wife home, shares in the home and makes no contribution. If that situation exists the commission will have to say that there is in fact a statutory deduction of \$10 a month. There is no reference to \$540. It is whatever is deemed necessary under 38 (6).

Mr. BEECH: The amount is deducted whether or not it is collected from the children.

Mr. Mutch: Hitherto parliament in its wisdom said you must charge \$10 for each single child living at home whether or not that single child is contributing—that is, if it was of an age to work. Actually there are income ceilings, and these deductions which are made here are made under those ceilings. The income ceiling for a single parent is \$110. The income ceiling for a widowed mother is \$120. For two parents it is \$145. Those are the figures you were asking about a moment ago, which are fixed by statutory authority by the commission.

We will get along better if you do not try to confuse subclause (6) of section 38 with subclause (2). Subclause (2) simply deals with a widowed mother, in most instances, or any parent who falls into a prospective dependency if the commission is satisfied that the son, had he lived, would have done something for them, formerly we, in our judgment, could pay up to \$40 a month. Now, under the proposed amendment, if we were satisfied he would have done it had he lived, we could pay another \$5. It is as simple as that.

The CHAIRMAN: Does that explain it to your satisfaction?

Mr. Mutch: If I could say one more word, I would say that the place to take your dissatisfaction is not to the commission, as we did not fix it.

The CHAIRMAN: I understand from what Mr. Mutch has said that the commission is obliged now to deduct \$10 a month if there is a dependent child.

Mr. Mutch: A statutory deduction.

Mr. JONES: At the present time, if it is an unmarried child the deduction is made. This amendment will result in the deduction being made if a married child brings home a spouse.

Mr. HERRIDGE: Mr. Chairman, I think we have had a very clear explanation and a good discussion on this section. After we have heard the veterans' organization the committee will be in a position to make recommendations with respect to this or any other section.

The CHAIRMAN: Shall we pass on to section 9?

Mr. CARTER: Mr. Chairman, it is now 10.45.

The CHAIRMAN: I was not aware of that. We did not get very far this morning.

Mr. BEECH: I think we accomplished a good deal.

The CHAIRMAN: What time shall we meet tomorrow morning?

Mr. BROOME: Do you want to go on this morning?

The CHAIRMAN: It is now a quarter to eleven and caucus morning for some of the parties. We said we would sit only an hour this morning.

What is your wish in connection with the time we will start tomorrow morning?

Mr. SPEAKMAN: I suggest ten o'clock.

The CHAIRMAN: I understand notices have gone out for 10.30, so we will meet tomorrow at 10.30.

Agreed.

The CHAIRMAN: I understand the Canadian Legion will be with us tomorrow morning.

—The committee adjourned.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, FEBRUARY 16, 1961

BILL C-67, AN ACT TO AMEND THE PENSION ACT

WITNESSES:

The Very Reverend Dean J. O. Anderson, representing the Dominion Chairman of the Canadian Legion; Mr. D. M. Thompson, Dominion Secretary of the Canadian Legion; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

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Jones,	Peters,	

R. L. Boivin,
Clerk of the Committee.

ORDER OF REFERENCE

WEDNESDAY, February 15, 1961.

Ordered,—That the Standing Committee on Veterans Affairs be empowered to print, from day to day, 2,500 additional copies in English and 200 additional copies in French of its Minutes of Proceedings and Evidence, and that Standing Order 66 be suspended in relation thereto.

Attest.

Léon-J. Raymond,
Clerk of the House.

(For Second Report to House granting authority to print additional copies see Issue No. 2 dated February 15.)

MINUTES OF PROCEEDINGS

THURSDAY, February 16, 1961.

(4)

The Standing Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Badanai, Batten, Beech, Benidickson, Broome, Carter, Clancy, Fane, Forgie, Herridge, Jones, Kennedy, Lennard, MacEwan, Matthews, Montgomery, O'Leary, Parizeau, Pugh, Roberge, Rogers, Smith (*Lincoln*), Speakman, Stearns, Stewart, Weichel, Winkler.—28.

In attendance: Mr. L. Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. T. D. Anderson, Chairman, Canadian Pension Commission. *From the Canadian Legion:* The Very Reverend J. O. Anderson, representing the Dominion President; Mr. D. M. Thompson, Dominion Secretary; Mr. M. L. MacFarlane, Director of the Service Bureau, Mr. L. Manchester, of the Legionary, and Messrs. D. A. Knight and E. H. Slater, Service Officers.

The Chairman welcomed the delegation from the Canadian Legion and introduced its members to the Committee.

The Reverend Anderson having expressed, on behalf of the Canadian Legion, his appreciation of the Committee's invitation, Mr. D. Thompson read the Legion's brief.

Moved by Mr. Herridge, seconded by Mr. Broome,

Resolved,—That the committee proceed to the consideration of the Bill and, before adopting the Title, hear further recommendations from the Canadian Legion with reference to possible amendments to the Bill.

The question was put and resolved in the affirmative. (Yeas, 23; Nays, 1).

The Committee then considered paragraph by paragraph the brief of the Canadian Legion.

Mr. Thompson and Mr. Anderson gave the Committee explanation on various matters.

Mr. Thompson also explained some of the recommendations of the Canadian Legion which were contained in their brief of December 12, 1960.

At 12.30 o'clock p.m. the Committee adjourned to meet again on Monday, February 20, at 10.30 a.m.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, February 16, 1961

10:30 a.m.

The CHAIRMAN: Gentlemen, let us now come to order.

We have with us this morning the Canadian Legion.

I would like to ask Dean John Anderson, and Mr. Don Thompson to come up to the front and be seated at the head table.

I think that Mr. Anderson, the chairman of the pension commission, might also take a chair up here.

Now I shall introduce to you these gentlemen. I believe Mr. Wood, the president of the Canadian Legion is unable to be present today, so Dean Anderson is here in his place.

The Canadian Legion brief will be presented to us by Mr. Thompson. And of course we have with us as well Mr. MacFarlane, the director of the service bureau.

Now I shall ask Dean Anderson if he cares to say a few words to us. I think you all know him very well. Then we will ask Mr. Thompson to proceed with his brief.

The VERY REVEREND DEAN J. O. ANDERSON (*Past Dominion President of the Canadian Legion*): Thank you, Mr. Chairman, and gentlemen. I would like to express just a word of appreciation for this opportunity to appear before the committee. It does not happen very often to a past president that he can have this chance. It is an opportunity to see old friends and to feel that I still continue a real interest. I hope I may make some little contribution to the good cause which I think all of us have in mind, and very much at heart.

My interest through the years has been in the whole veterans field, just as it was in the service. There have been a number of people who were not able to say too much for themselves for one reason or another, and I always felt that if it were possible to do anything to help them along, that it was our duty.

And when our service was over, again there were those voiceless people, the rank and file, that are not always able, or that do not always have the opportunity to speak up for themselves, and who need someone to speak for them; and again it is our duty to do all that we can for those in need.

I am very grateful to the members of the committee for their continuing interest, and for what the government has done for us.

We are very glad that they have accepted so much of the good advice we have offered to them so freely. We hope you will continue to do so, sir, because we will certainly be very happy to supply any lack in that direction.

Now without taking up any more of the time of the committee and of yourself, again I offer you my thanks. Mr. Thompson, the dominion secretary, will present our brief, and will be glad to answer any questions on it.

Thank you very much.

The CHAIRMAN: Thank you, Dean Anderson. Now, I think what we will do is to allow Mr. Thompson to go right through his brief, and we will make notes on any questions we may wish to ask him.

This brief is confined to amendments and any questions you have will be confined to amendments to the bill at this time. Later on when the estimates are before us, we hope to have the Legion come back again, if they so wish, when other matters may be considered. Now, I call on Mr. Thompson.

Mr. DONALD THOMPSON (*Dominion Secretary of the Canadian Legion*): Mr. Chairman, Mr. Jones, and members of the committee:

We welcome the opportunity to appear before this Standing Parliamentary Committee on Veterans Affairs, and appreciate the sincere interest shown by Parliamentary Committees throughout the years. We believe that our combined efforts have resulted in continuing improvements in Veterans' legislation thereby enabling Canadian veterans and their dependents to share more equitably in the increased prosperity of our country.

We congratulate the Government and all members of Parliament for the realistic approach to the question of increased pension rates indicated by Clause 1 of Bill C-67. This action has restored pension to the position of equality with Civil Service and Armed Forces pay that originally existed. We sincerely trust that this equality, having been finally restored, will be maintained.

It is unfortunate, however, that many pensioners who are also recipients of War Veterans' Allowance will not benefit from this increase in rates. We urge the Government to take immediate steps to rectify this situation.

We appreciate that any delay in the passage of this Bill will serve only to deprive pensioners and their dependents of early financial benefits, therefore, our presentation today will be limited to those items contained in Bill C-67. We regret that this Bill makes no reference to many other items on which we made recommendations in our Brief of December 12, 1960 to the Prime Minister and Cabinet and on other occasions. We refer specifically to:—

- The Benefit of the Doubt
- Retroactive Awards
- Conditions not Recorded on Enlistment
- Renewal Hearings
- Increase in Clothing Allowance
- Gratuity for World War I Decorations (D.S.M. & M.M.)
- Composition of Appeal Boards
- Pension Commission Directives and Instructions

We realize that some of these problems may be remedied by a change in Canadian Pension Commission interpretation or policy. We still feel strongly, however, that it is the responsibility of the Government to ensure that the injustices referred to in our Brief are rectified one way or another.

We have been assured by the chairman of the committee that although our representations at this time should be confined to the bill, we will have ample opportunity at a later date to submit our recommendations on matters relevant to our brief and not dealt with in this Bill. Also the Minister of Veterans Affairs in commenting on the 1960 dominion convention resolutions said in respect of that resolution dealing with retroactive awards:—

Opportunity to discuss the question of retroactive awards, and the specific suggestion of the Legion, will be afforded when the Pension Act is before the standing committee for review.

We are at a loss to understand how, under the existing terms of reference, this can be accomplished and would appreciate clarification from the Minister and the chairman on this point.

Before proceeding with the clauses of bill C-67, upon which we wish to make recommendations, we would like to record our appreciation for the improvements proposed by clause 6 dealing with last illness and burial grants,

and clause 10 concerning supplementation. With respect to the latter, it appears the proposed amendments will put all Newfoundland veterans, and allied veterans with the necessary domicile, on the same footing as Canadian veterans.

Clause 8:

The one exception to the general increases in all rates is contained in clause 8. This amendment provides an increase of only 12½ per cent for those dependent parents dealt with by section 38 (2) of the Pension Act. Since the present rate is the equivalent of the award paid to a single orphan, we fail to understand why the new rate is not the same as that for the orphan. In addition, The Legion has for many years requested that on the remarriage of the widow or divorced wife, the award for such dependent parent be the maximum permitted for dependent parents under schedule "B".

The Canadian Legion Therefore Recommends—

- (1) That clause 8 be amended by deleting the words "Five hundred and forty dollars per annum" and substituting therefor the words "Six hundred and forty-eight dollars per annum", and
- (2) That clause 8 be further amended to provide that section 38 (2) of the Pension Act be amended so that on the remarriage of the pensioned widow, a dependent parent of a deceased member of the forces would become eligible for the maximum rate under schedule "B" for dependent parents, even though pension is still being paid on account of a child.

Clause 9:

This clause constitutes an amendment to section 42, a section which, together with section 31, we have been seeking to have amended for many years. Our request has been based on many cases which indicate clearly that a large number of pensioners and dependents have lost many thousands of dollars because of the present restrictiveness of these two sections.

The Canadian Legion Therefore Recommends—

That clause 9 be amended by adding thereto a provision to amend sections 31 and 42 of the Pension Act so that all disability pensions, when granted become effective from the date of application, but in order to allay fears of excessive awards going back to World War I jeopardizing the chances of the applicant we suggest the following saving clause:

"This provision shall not apply to claims granted prior to January 1st, 1946, and no retroactive payments shall be made for a period prior to that date".

Clause 13:

This clause determines that the effective date of the increase in rates shall be the first day of the month next following royal assent to the passage of the bill. Our previous briefs have indicated these increases are long overdue. The former Minister of Veterans' Affairs advised us that it was the intention of the government to have this legislation before parliament during the 1960 session. The speech from the throne in November brought the fact of increases closer to realization by announcing this pending legislation. We feel that the unfortunate delay which has already occurred has been very costly to Canada's pensioners and their dependents.

The Canadian Legion Therefore Recommends—

That clause 13 be amended by deleting the words "of the month next following the day on which this act is assented to" and substituting therefor the words "of January, 1961".

In conclusion, may we again express our appreciation for improvements to the Pension Act. We respectfully ask that our recommendations receive the endorsement of this committee and we reiterate our request for clarification as to how we may effectively present our other recommendations concerning veterans' legislation during this session of parliament.

The CHAIRMAN: Thank you very much, Mr. Thompson. We will start with the questioning if any members have questions.

Mr. BENIDICKSON: Mr. Chairman, I want to direct the attention of the committee and the witnesses first to the top paragraph on page 2 where the brief says "We appreciate that any delay in the passage of this bill will serve only to deprive pensioners and their dependents of early financial benefits", and so on, and for that reason the Legion does not feel that perhaps it could take up, without prejudice to the pensioners, the matters in the brief which they submitted to the government on December 12, 1960, with regard to the Pension Act.

I simply wish to raise the point that I have been a member of this committee for a great number of years and I cannot recall any occasion when we have been amending an act such as the Pension Act or the War Veterans Allowance Act where by pressure of time, or a gun at the heads of the committee by reason of time, witnesses are precluded from an adequate opportunity to tell us what should be in the bill which is not in the bill.

The Legion, therefore, apparently after consultation with the chairman, have felt obliged under these peculiar circumstances to confine themselves to the clauses of the bill. We all know that a much larger presentation in respect of the needs for amendment of the Pension Act was contained in this brief of December 12.

I say that this is unprecedented. I think invariably when we have had a statute up for amendment we always felt free and time has not been so minimized that they have had an opportunity to speak only on the clauses contained in the bill. In the past they have had an opportunity to tell his committee the kind of clauses they believe should be added to the bill. I say that this is unfortunate. I think that clause 13 with its rather peculiar wording is the cause of this. As the Legion said, this legislation was announced as forthcoming on November 16 in the speech from the throne. The resolution, I believe, was introduced on December 12, the debate was adjourned, and only a couple of days, I believe, were required on second reading. Other matters, which I suggest were of less importance and perhaps under less of a time gun than this appears to be, have been given plenty of time. I think this is unfortunate.

Also, I would like to draw to the attention of the committee clause 13, which is the clause which sets out the effective date of payment and which, of course, is what I call a pressure clause because the pensioners will lose a month's pension unless this committee finishes its work and then again that we get a place on the agenda in the House of Commons and an appointment is made with the Governor General for assent. All this has to be done prior to March 1, otherwise 180 some odd thousand pensioners will lose one month's pension. I suggest this is unprecedented pressure.

When the rates were increased last in July of 1957 it was done in a very simple fashion in so far as the effective date was concerned. It could have been done in a similar manner this time without this unusual clause 13. In 1957,

when the schedules were increased members of the committee, if they examined the amending statutes of that date, will find that it was done, as I say, in a most simple fashion which could have been done this time. The precedent is there. On the schedule attached to the bill it just had three or four simple effective words. It said that the rates are effective backwards to July 1, 1957.

Mr. PUGH: What was the date of the original order?

Mr. BENIDICKSON: July 1, 1957, but the bill was presented in December, 1957. All that was required was a date set, not a date under pressure.

Mr. PUGH: I thought there was an order in March, 1957, prior to July.

The CHAIRMAN: I think what you are referring to is there were arrangements made in the estimates for that year.

Mr. PUGH: Yes.

The CHAIRMAN: Is that not so, Mr. Benidickson?

Mr. BENIDICKSON: I have a copy here somewhere of the schedule. I looked up the statute. At the top of the schedule you will find it says effective July 1, 1957.

Mr. CARTER: In this bill it is shown in that way in the old schedule, "schedule A effective July 1, 1957".

Mr. BENIDICKSON: Yes. I am prepared to see if we can make progress, Mr. Chairman, but I do say that this is quite contrary to anything we have done in the past. As we know it is very infrequently that the Pensions Act is opened up and it is only periodically and infrequently that the War Veterans Allowance Act is opened up. This is not something which comes up every year. Surely when a bill is before us for general debate that is the time when organizations should be free to speak with regard to deficiencies as well as amendments in the bill.

Mr. PUGH: I have a comment to make. So far as a time gun is concerned that does not apply. The brief presented by the Legion should be heard in full even if it takes a month or two. Everything in the bill about which the Legion wishes to speak is listed in the brief. If the committee wants to spend a long time, I would be all in favour of it. I do not go along with the idea put forward by Mr. Benidickson of a time gun. If indeed it is felt by this committee that we cannot conclude this in time for royal assent by the end of this month, then the committee can very easily make a recommendation to the house as to the date of payment. There is no reason why we cannot do that. We do not amend this Pension Act very often. The original hearings were in 1951, then in 1957, and now in 1961.

The suggestion was made that the date of July 1, was set. It runs through my mind that prior to June 10, 1957, the twenty per cent increase was announced and that there would be changes in the Pension Act. It was announced before it was brought before the House of Commons. In other words, it was not heard until December, 1957, although the initial announcement came in the spring of 1957 prior to going to the country for an election. It goes right back. I would like to reiterate for the third time that we should now spend all the time that is necessary to hear this brief without prejudice to the date of payment to the veterans.

Mr. CLANCY: I think this is a working committee and we should save the political speeches for the floor of the house. Let us get on with it.

Mr. HERRIDGE: Mr. Chairman, I wish to give my benediction to Mr. Benidickson's proposal and argument. That has been the practice in the past. There is no necessity for me to repeat this and take the time of the committee. I do suggest, however that we could deal with the bill and then hear the Legion on the omissions in the bill before we pass the title. I think that would

enable us to deal with the whole subject in order and we have the time to do that.

Mr. CARTER: Mr. Chairman, I want to reply to what Mr. Pugh has said about pressure. I think the facts speak for themselves in that regard. We sat on Tuesday, Wednesday morning and now, this morning.

Some hon. MEMBERS: Would you speak up, please.

Mr. CARTER: I am talking about the pressure. Mr. Pugh said he was not aware of any pressure.

Mr. PUGH: I said no such thing.

Mr. BENIDICKSON: He said just the opposite, that he did not want to be under any pressure.

Mr. CARTER: But we are under pressure—the fact that we are having committee meetings in such rapid succession makes it almost impossible for many of us to be present at all these meetings. They are unable to attend them all when they come in such rapid succession.

Mr. BROOME: Why can they not? There are no other committees.

Mr. FORGIE: There is. The broadcasting committee is sitting this morning.

Mr. CARTER: We would like to be in a position to attend all the meetings, but I have a committee at 12.00 o'clock which clashes with this one.

There are a couple of other matters about which I would like to ask Mr. Thompson. How does he reconcile the statement, on page 2:

We appreciate that any delay in the passage of this bill will serve only to deprive pensioners—

with his recommendation at page 7, that the bill be made retroactive to the 1st of January, 1961. It seems to me that he is pessimistic that his recommendation is not going to receive very favourable consideration. Do you feel that way about it?

Then, at page 2 of the brief the question is raised as to the procedure under which they could put before the committee those parts of the brief, particularly these things they have listed here—the benefit of the doubt, retro-active awards, and so on. That is the question to which Mr. Herridge addressed himself. A ruling is required from the chairman as to when we are going to deal with these things that are not particularly applicable to the present bill.

Mr. HERRIDGE: In order to clarify the situation, Mr. Chairman, I move that the committee now proceed to deal with the bill before it, and then before the title of the bill is passed, that they hear the further representations of the Legion with respect to amendments to the Pension Act.

Mr. BROOME: I second the motion.

Mr. BENIDICKSON: I am satisfied with that.

The CHAIRMAN: Just before we proceed with that I would like at least to draw your attention to the fact that the only thing which has been referred to us now is consideration of this bill. The steering committee have gone over this matter and have suggested that the only briefs that should be presented are those in connection with bill 67. I do not think we have authority to hold up the bill and to listen to other parts of the brief in connection with the Pension Act at this time. While I do not like to hear the word "pressure", there is no question about it but that we are anxious to get these amendments through as soon as possible.

As I have said before, they will be given an opportunity to bring up all the matters in the other brief when the estimates are referred to us. I do not think I can go any further than that. Even though you pass the motion which has been made, as far as I am concerned, as chairman, I am going to try and hold

the discussion to what has been referred to us at this time. I think I have the steering committee's authority for that, and I am of that same opinion.

Do you wish to say something, Mr. Forgie?

Mr. FORGIE: Not on this, Mr. Chairman.

Mr. CARTER: Are you ruling the motion in order?

The CHAIRMAN: Well, the point is, I do not think I can rule the motion out of order. But, even though you pass the motion, I do not see how we can go ahead and consider something not related with the bill. Possibly you could, but I do not think that it would be good business to consider something at this time which has not been referred to us for our consideration.

Mr. BROOME: I suggest the motion was simply to stop all this verbiage in order to get on with the consideration of this brief as it applies to this bill.

The CHAIRMAN: I thought the motion was to the effect that we should consider all the other matters in the Legion's brief.

Mr. HERRIDGE: No, no.

I move now that the committee proceed to deal with the bill before it, dealing with the amendments to the Pension Act, and then before passing the title that we hear representatives from the Canadian Legion with respect to further amendments to the Canadian Pension Act which they suggest.

The CHAIRMAN: Well, that covers their original brief. If I understand your motion correctly, it would open it up so that all matters in connection with the Act would be heard.

Some hon. MEMBERS: No, no.

The CHAIRMAN: Well, if I am mistaken, on that, I wish you would write out your motion.

Mr. O'LEARY: Perhaps we could have it read back in the way that it originally was presented.

Mr. HERRIDGE: This will clarify the situation. The Legion mentions half a dozen omissions. We can proceed to deal with those matters which concern the bill, and in that way we will not get into the cross-fire and unnecessary chatter. Then, at the conclusion, before passing the title, we could ask the representatives of the Legion to deal with those matters mentioned in their brief to the committee that they consider are omissions in the amendments.

The CHAIRMAN: You mean the brief brief?

Mr. HERRIDGE: Yes.

The CHAIRMAN: You are not referring to the original brief?

Mr. HERRIDGE: No.

The CHAIRMAN: It has been moved by Mr. Herridge and seconded by Mr. Broome that after we deal with this brief and consider the bill, we hear the Legion concerning the items set out at page two, which they claim have been left out of the amendments which they would like to have considered. Am I right in my understanding of that?

Mr. CARTER: Does that mean that we recall the Legion at a later date?

The CHAIRMAN: Well, I thought if we could get along with this, that we might hear them while they are here today? Would that be your thought?

Mr. HERRIDGE: I would think so.

Mr. ROGERS: I do not see any sense in the making of the motion. We have a steering committee. We have outlined what the steering committee has said, and I think it is just carrying out that function.

Mr. BENIDICKSON: I would like to raise a question about the steering committee's decision. A committee does not automatically do what a steering committee recommends. I was a few minutes late in arriving at the Tuesday

meeting, and I was going to ask the question as to whether or not the steering committee reported and, if so, has this committee assented to or approved of such report?

Mr. ROGERS: Well, I think the chairman can outline what the steering committee said.

The CHAIRMAN: Gentlemen, I think I will entertain this motion. In this way we will get along faster.

Mr. BROOME: Just on a point of clarification, is Mr. Benidickson on the steering committee?

The CHAIRMAN: No.

Will all those in favour of the motion please signify by saying yea?

Mr. BENIDICKSON: This is Mr. Herridge's motion?

The CHAIRMAN: Yes.

Now, the nays.

Yeas, 23; nays, 1.

The CHAIRMAN: I declare the motion carried.

Are there any further questions in connection with the Legion brief?

May I interrupt for just a moment at this time. The Canadian Legion said that they would like to have a picture taken of the veterans affairs committee, and the hour of eleven o'clock was mentioned. It is now a little after eleven o'clock. They have a photographer here. Is it agreeable that I declare a recess of five minutes so that this photograph can be taken?

Agreed to.

The CHAIRMAN: I declare a recess for five minutes.

—Whereupon the committee recessed.

—And the photograph having been taken, the committee resumed.

The CHAIRMAN: Gentlemen, are we ready to proceed now?

Mr. CARTER: I take it that the legion is satisfied with the general increase of 20 per cent in the basic rates for dependents?

Mr. THOMPSON: Yes, Mr. Chairman, that is very definitely so.

Mr. SPEAKMAN: Mr. Chairman, I wonder if the parliamentary secretary to the minister would give the explanation which was given in the committee yesterday regarding clause 8 in the Legion's representation in this connection?

Mr. JONES: Mr. Chairman, in regard to that I would prefer, if the committee is agreeable, to continue with the hearing now that the Legion is here. I will be pleased to report to the committee in respect of that particular point at a later date, but I am not in a position at the moment to do so. I might say that we have already started our investigations into that particular subsection and I hope to be able to report to this committee in respect of this very shortly.

Mr. HERRIDGE: Mr. Chairman, I thought that question was directed to the Legion's representation with respect to clause 8 as it appears on page 4 of the brief.

The CHAIRMAN: I believe Mr. Speakman directed his question to Mr. Jones.

Mr. HERRIDGE: I beg your pardon. I would in that case like to direct the question to Mr. Thompson; would he elaborate in regard to this suggested amendment to clause 8, and give his reasons for the same. We had some discussion in this regard yesterday.

Mr. THOMPSON: Mr. Chairman and members of the committee, I take it that the reference is to the recommendations in respect of clause 8 as they appear on pages 4 and 5 of our brief?

Mr. HERRIDGE: That is right.

Mr. THOMPSON: The recommendation appearing on page 4 deals with clause 8. It appears from a study of this that the lower rate for this group of dependent parents is sufficient only because these are the dependent parents of a serviceman who has died and has left a widow, or a widow and children, and a pension is being paid on account of the widow, and in addition to the widow there is a dependent parent or parents—in many instances the dependent parent is able to live—in our experience, generally dependent mothers—in the home with the widow and the children, and they manage—I say “manage”—to get along on this small amount of money. However when the widow remarries there exists an entirely different situation. From a space point of view only, aside from any relationship within the home, or any problems that might arise, it makes the situation often impossible for the dependent mother, or widowed mother to stay in the home, and she must seek accommodation elsewhere. It seems to us only reasonable from a straight financial point of view that the least that should be paid to her is the amount that is being paid for an orphan child. Basically this rate was higher than for the orphan child, but it is now less. We suggest that it should be at the rate paid to an orphan child. We ask that the position be maintained as it was, that the rate paid should be no less than that paid to the orphan child. The proposed new rate is less than the proposed new rate for the orphan child.

In connection with our second recommendation; as I mentioned, on the remarriage of the widow, often the mother has to seek accommodation elsewhere; and because a pension is being paid on account of the child, under the terms of the act, the pension commission is not permitted to pay that parent the full dependent parent's rate, which means they must carry on under the rates provided for by section 38(2). We feel in the first instance that the rate should be at least that paid to the orphan child under the present rates. We feel secondly that when the widow remarries, even if there are children receiving the pension, this dependent parent should receive the maximum permitted for a dependent parent and not the restricted rate under section 38(2). Does that explanation answer your question?

Mr. HERRIDGE: Yes.

Mr. JONES: I think the increase you suggest, Mr. Thompson, amounts to 35 per cent?

Mr. THOMPSON: Approximately that, yes.

Mr. CARTER: I am not quite clear on one point that Mr. Thompson raised. Are you suggesting, then, that under the circumstances outlined on page 5 the widow should then get a pension as of right? Are you suggesting that it should be put in the group covering the widows who receive pensions as of right?

Mr. THOMPSON: Mr. Carter, we are not talking about the widow on page 5 except in so far as she disappears from the pension rolls.

Mr. CARTER: No, Mr. Thompson, I am talking about the mother.

Mr. THOMPSON: We suggest that the mother should then come under the schedule for dependent parents rather than under the more restrictive rate in section 38(2). We are asking that they be considered as other dependent parents are now where no pension is paid to the widow. There is a bar created as a result of a pension being paid because of one child. When that child grows up and passes the pensionable age, the pension commission can then treat this parent as a full dependent parent. We are asking that that bar be removed.

We feel that because one or two children are receiving the pension it should not prevent that person from being treated as other dependent parents are treated.

Mr. BENIDICKSON: Mr. Chairman, I am going back to the consideration of the basic rate, because I think the information I seek would be useful to the members of this committee and to the public who read the proceedings of this committee. I want to refer Mr. Thompson to page 3 of the brief presented December 12. There is a table contained there entitled "A review of disability pensions and other related rates". These tables show what the 100 per cent disability pension would be over a span of years, the years being from 1920 to 1960. I was wondering if Mr. Thompson could make arrangements to add to that table an additional column on the right indicating what the rates would be, under a heading such as: "After the rates of this bill become effective". If those new rates were put in there I think it would be very useful to anyone studying these discussions. I think it would be useful to have a record of the progression of pension rates after the various amendments have taken place. It would be very useful to have one column showing the rates as they would appear in the new schedules.

Mr. THOMPSON: Mr. Chairman and Mr. Benidickson, we would be very pleased to do that for you.

Mr. HERRIDGE: Mr. Chairman, I wonder if Mr. Thompson could inform the committee what the practice has been in the past with respect to making pensions payable retroactively owing to delay in the pension commission procedures?

The CHAIRMAN: I believe the recommendation is that it should be retroactive to January 1, 1946. That is your recommendation, is it not?

Mr. THOMPSON: Do I understand, Mr. Chairman, that Mr. Herridge wishes us to explain the reason for asking for this change in section 31 in respect of its being retroactive to the date of application?

Mr. HERRIDGE: Yes, that is right; and could you also tell us your experience in the past in that connection?

Mr. THOMPSON: Mr. Chairman and Mr. Herridge, in that connection we have experienced many cases where people have lost hundreds of dollars through delays in adjudication, through administrative errors; errors where a file has been misplaced or misfiled; where there has been a letter acknowledging the application but for some reason no action has been taken, where the commission has come to a decision that is unfavourable, and where the person may not have proceeded beyond that application. Many people have expressed the view that if an individual did not proceed further, having received an unfavourable decision, and knowing his rights to proceed further, that it is his own fault. I think that you will agree with me, however, that the ordinary man who receives a letter from Ottawa on official letterhead telling him that he is not entitled to a pension because his record does not support a claim, feels it futile to proceed further.

We have three current instances which support this argument. In one case a man served for six years in England and northwest Europe. In May, 1956, he was granted entitlement for chronic bronchitis and emphysema. This was a recorded two-fifths aggravated entitlement. The assessment was 60 per cent, and the entitlement 25 per cent. On December 7, 1960, following a Canadian Legion submission, the commission ruled that the condition was not recorded; not obvious, and they granted a full entitlement. The man is now getting 100 per cent. In this case the commission have said that they were bound by section 31, and they could not go back. As a result, this man lost four-and-a-half years pension through what we believe was a wrong decision

initially, but the commission unfortunately did not have the power to go back and rectify it.

There is another case of a man, who in 1951 sent in a medical certificate which was received by the department and placed in the file and no action was taken. He ultimately was given entitlement in 1960, effective from 1959. Here is a man who lost eight years' pension because a document was received but was not followed up and no action was taken.

There is another case which is a rather sad one because it is a nervous condition. This man served overseas and had three years' service. In 1943 the commission ruled prepsychosis, not aggravated. In 1951 the commission ruled, psychoneurosis, pre-enlistment, not aggravated. In 1952 the commission ruled epilepsy post-discharge, not attributable, and in 1953 the appeal board ruled psychoneurosis, pre-enlistment, not aggravated. We obtained leave to reopen his case on January 9, 1959 and entitlement was granted on January 16, 1959, effective 12 months prior. This man has now full entitlement, assessed at 100 per cent. This man has lost 15 years' pension and treatment. We feel that the act should be amended so that the pension should date back to the date of application. There are many other cases which have resulted in hardship. But, even when we have proved hardship, the pension commission can now only go back a certain number of years. Pensions in these cases can only be made retroactive for three years under the act, and we believe there is ample evidence to show there is a need for the act to be amended so that the pensions will date back to the date of application.

Mr. PUGH: Does the pension commission rule the pension payable from the date of application, or from the date of adjudication?

Mr. ANDERSON: Are you asking that question of me?

The CHAIRMAN: There is difficulty in hearing here.

Mr. PUGH: Then I shall stand up. Do I take it that normally it would be the date of decision but there are circumstances, as Mr. Thompson pointed out, where it is made retroactive?

Mr. ANDERSON: Normally it would be the date of decision, but there are circumstances under which it can be made retroactive up to a maximum of three years.

Mr. PUGH: For example, a man applies for pension, makes an application, and there is a decision made by the court in the first instance and a pension is granted. When does the pension come into effect—at what date?

Mr. ANDERSON: The date of application, or 12 months prior to it, as set out in section 31.

Mr. PUGH: Then I take it that in the brief the Legion are putting forward they are asking that where there is an appeal the pension can be made payable from the date of the application. In other words, in the Legion brief, where a pensioner makes application and, in the first instance, has been turned down and then he proceeds with an appeal, at that stage they want the pension granted back to the date of the application. You are limited now to three years or is it one year?

Mr. ANDERSON: Three years maximum.

Mr. SMITH (*Lincoln*): Is it the intention of the Legion that this should be effective just for new entitlements, or do they want it retroactive to entitlements granted last year and the year before?

The CHAIRMAN: You will see that, on page 7, they want it to go back to January, 1946.

Mr. SMITH (*Lincoln*): Do they want cases included that were granted last year and the year before, or is it just new entitlements?

The CHAIRMAN: What you want to know is if they are asking that cases that have been decided would be re-opened?

Mr. SMITH (*Lincoln*): That is right.

Mr. THOMPSON: Yes, Mr. Chairman, the cases that have been ruled on now. For instance, here is the case of a man whose pension was lost for 15 years. The bulk or large portion of the pension claims have now been adjudicated on, but there are many more to come in. We have been asking for this for many years, and it would be our feeling that if this were to accomplish what we have asked, that you would have to go over these cases and rectify these injustices and financial losses that have taken place over the years.

Mr. O'LEARY: Right back?

Mr. THOMPSON: Yes, to 1946.

Mr. SPEAKMAN: I think your recommendation is good and I say that for two reasons, in that it would certainly do away with any possibility of delay in dealing with cases or any carelessness in handling of documents and so forth. This could well be considered, if not in this bill then in any future amendments that come to be discussed.

Mr. STEWART: I was wondering, would this recommendation put a time limit on applications? The saving clause only deals with claims granted. It does not say anything about applications made prior to 1946.

The CHAIRMAN: Have you any remarks on that, Mr. Thompson?

Mr. THOMPSON: I am not just clear about it.

Mr. STEWART: The words used are "claims granted". What about an application that has been made and which was refused? It would not be covered under that saving clause, would it?

Mr. THOMPSON: Our view on that is that it would only be effective where a claim has been granted. The reason this was put in was because it has been said one reason that this cut-off date on pensions was implemented in the first place was because there were great amounts of money building up and this might have an adverse effect on applicants' cases. So, in order to offset that, we suggested this date. Now, any date could be chosen but it seemed to us that January 1, 1946, represented a date when the majority of World War II discharges were beginning to be adjudicated upon. We felt that if this did not apply to claims granted prior to January 1, 1946, then this would prevent the objection of great sums in some cases going back to World War I. But we feel that it should apply to all cases granted subsequent to January 1, 1946.

Mr. STEWART: Assuming an application was made prior to January, 1946, would this apply?

Mr. THOMPSON: I think the last part of our recommendation states: "No retroactive payments shall be made for a period prior to that date." I think that covers that.

Mr. BROOME: Mr. Chairman. I have already had the answer to one of my questions, why the Legion picked the year 1946. My second question would be: if you felt that it might prejudice the pensioner's case if he went back to World War I, do you think that this might also apply, in that now you are asking that at this point you will go back 15 years; and five years from now you will be going back 20 years. So you might be working yourself into a future position where you will be prejudicing the applicant's case. My third question is that, according to the chairman of the pension commission, the pension commission can go back three years. But, in Legion experience, do they go back three years or do you have to prove hardship before they go back three years? In

other words, does it go back three years as of right, or do you have to put in proof of negligence, let us say, on the part of the staff of the government before the government will go back three years?

The CHAIRMAN: I do not think it is the government decides this. It is the commission.

Mr. BROOME: When the pension commission staff decides to go back three years, is it because of hardship, extreme hardship, and exceptional circumstances, or is it as a matter of right that they go back that far?

Mr. THOMPSON: Mr. Chairman, to deal with Mr. Broome's first question, the date fixed, January 1, 1946, was selected many years ago. I have not the year right at my fingertips when this proposal was first put forward by the Legion. It was as a result of a lot of thought by our committees and council and they felt it was the date they should recommend.

Mr. BROOME: This was a number of years ago?

Mr. THOMPSON: It was a number of years ago, that is how the date was arrived at—after consideration by our committees. In answer to the second question, whether we felt going back that far would jeopardize claims, it had been said these large amounts did jeopardize some claims. This is something which is very much a matter of opinion and we find it hard to believe that any government agency, is appointed and paid by the state, would take the stand that they would refuse a veteran, or dependent of a veteran, a pension because there was a lump sum of money involved. This proposal, if you like, was put forward as a compromise. At present we do not feel that this date, January, 1946, would prejudice any claims because we have not the heart to believe any government agency would set itself up as a watch-dog on this if the legislators did not do so when the legislation was passed.

In connection with the third question, the provision made under section 31 is that if the time between application and decision is less than 12 months, then the effective date may be that of the decision or the date of application. If the time elapsing between the date of application and the date of decision is more than 12 months, then it may be the date of decision or a period of 12 months prior thereto. That is where 12 months of that three years is used up. It must be over 12 months before it can be retroactive 12 months. In addition to that we have a provision for an additional six months, in cases of hardship and even in this case of fifteen years I mentioned, it is still six months. The section says:

Notwithstanding any limitation contained in this section, the Commission may, in its discretion, make an additional award not exceeding an amount equivalent to an additional six months' pension in cases where it is apparent that hardship and distress might otherwise ensue.

So we have the first twelve months, and then we have six months, for hardship, and the provision in subsection (3) for an additional eighteen months.

Notwithstanding any limitations contained in this section, the Commission may, in its discretion, in respect of service during World War II, make an additional award not exceeding an amount equivalent to an additional eighteen months' pension where, through delays in securing service or other records, or through other administrative difficulties, beyond the applicant's control, it is apparent that an injustice might otherwise ensue.

You, Mr. Broome, referred to our experience. We have had cases where, there have been six to eight years involved. We have cases where there has been an outright error on the part of someone in the government service and

the commission, when granting entitlement, has automatically made full use of the additional six months and the 18 months and, in some cases, we have to ask for the six months and go back again and ask for the additional 18 months.

It seems to us when errors are committed, where there is an oversight in the evidence and so on, that it could be taken as an administrative difficulty beyond the applicant's control. But the commission, by and large, do not agree with us on this point. Consequently, it is most unusual to obtain retroactivation under 31(2) and 31(3).

Mr. JONES: I was wondering if you would care to comment in connection with this, and on the allied problem of a person who was not able, through lack of knowledge, to make an application.

I recall a recent case of a lady in New York, whose husband was killed in World War I. She did not know that she was entitled to a pension, although she was; and she made an application. I think it was last year, for the first time. She made an application for the first time in connection with her husband's death in the First World War. Have you any comments to make on a situation like that?

Mr. THOMPSON: I do not know the particulars of that case, Mr. Jones, other than as you have stated them. I do not know what you would like particularly to have by way of a comment.

This would seem to be a very exceptional situation, because normally she would be notified. If they were married, and an additional allowance was being paid during the service, she would normally have been notified. I do not know how this came about.

Mr. JONES: I suppose for clarification I might ask this; have you any comments as to why you set the date of application as being the effective date?

Mr. THOMPSON: In this case the death of the man would surely have constituted an application, to the pension commission. The application would be the entry on departmental documents.

Surely the official record of the man's death in service would constitute an application for a widow's pension under commission policy.

Mr. WEICHEL: I am of the same opinion as expressed by Mr. Speakman. I believe this change would certainly do away with any unnecessary delays, errors, and so on.

Mr. CARTER: Coming back to what Mr. Speakman and Mr. Weichel have said, I agree completely that something like this is necessary. But I do not agree with Mr. Speakman's suggestion that we should shelve this until the Pension Act comes before us again, because that might not be before three or four years time, and would only be compounding the problem Mr. Thompson described.

If we are going to do anything about this, I think we should at least incorporate a recommendation in our report at the present time.

The CHAIRMAN: Now, Mr. Kennedy

Mr. KENNEDY: Mr. Chairman, I would like to ask a question of Mr. Thompson. Going back to 1946, in reviewing cases, would they include deceased veterans who died in the interim period? I ask this because there are some of those cases, and to make it fair, they still have dependents. Others may not have dependents, but the payment will go to their estate, because their children might have become of age in the meantime. That is just a thought.

Mr. THOMPSON: In this connection, in answer to Mr. Kennedy, it would seem to us, in fairness, if there are dependents, that this is money which, had

the claim been handled and been ruled upon as we feel it should have been—this is money that the man's dependents would have had the advantage of. Therefore we would feel it should go to the dependents.

But in the case of the man with no dependents, as unpaid pension does not form part of that man's estate; there would be no question of pension moneys being paid into the estate for the benefit of someone else.

The CHAIRMAN: Now, Mr. Rogers.

Mr. ROGERS: Mr. Chairman, I would like to ask Mr. Thompson if he can tell us when this act was amended, with regard to the retroactive date? Was it so stated originally in the Pension Act to that effect?

The CHAIRMAN: Perhaps, Mr. Anderson could answer the question? You have asked Mr. Thompson. Do you care to answer?

Mr. THOMPSON: I believe the date was 1936, but I would have to check this. In any event it was prior to World War II. It has been suggested at other times that the Legion was a party to the change. In fairness I must admit that the record shows this to be so, but neither the government of the day nor the Legion had any thought at that time that World War II was going to break out in a few years time and create a whole new group of pensioners.

Mr. ROGERS: I wondered why the Legion made that recommendation at that time.

The CHAIRMAN: Shall we now pass on to item 13 of the brief.

Mr. HERRIDGE: For the information of these members of the committee who may not have had an opportunity to deal with this question throughout the years, I wonder if Mr. Thompson could inform us—or possibly the chairman of the Canadian Pension Commission—just what has been the practice in recent years by way of amendments to the act, and to the rate of disability pensions?

The CHAIRMAN: Mr. Herridge, Mr. Thompson did not hear your question. I take it your question was this: What has been the practice with amendments to the Pension Act in the past as to the effective date of increase? Is that right?

Mr. HERRIDGE: Yes, when was the pension made payable.

Mr. THOMPSON: I think the chairman of the pension commission could answer your question more accurately, because we have been more concerned with the date than with when the actual payments went into effect.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): As you know, Mr. Chairman, as has been pointed out previously, the last amendments came into effect as of July 1. I think the legislation was not adopted until the fall. Normally I think it has been the practice to put amendments into effect as of the date the bill receives royal assent.

The CHAIRMAN: It is a matter of policy over which we do not have very much control.

Mr. ANDERSON: That is true.

Mr. HERRIDGE: Yes, I was simply seeking information, and trying to bring out information which I already knew.

The CHAIRMAN: Are we ready to go back?

Mr. BENIDICKSON: Mr. Chairman, the committee certainly has a lot to say as to the style of clause. I think again that it has something to do with parliamentary origin, and that it is fairly unusual to find this kind of proviso.

The CHAIRMAN: It is not very unusual at all. You have a perfect right to raise your argument in the house. We may put in a recommendation, and you have a perfect right to bring it up and say as much as you wish about it.

Mr. BENIDICKSON: It is certainly not going to be a recommendation of this committee.

Mr. FORGIE: There is nothing to prevent this committee from making this recommendation.

The CHAIRMAN: I do not think so.

Mr. BROOME: I doubt if Mr. Benidickson has had too much experience in connection with increases to the disability pension, because when he was on the government side, they were not giving any.

Mr. BENIDICKSON: If it is just a matter of information, I may indicate to the Hon. Member who has just spoken that he is completely wrong. The last change that was made is outlined on page 2221 of *Hansard* for March 14, 1957. It was announced in the budget of Mr. Harris; and it was previously increased in 1951, and if you want to refer to it—

Mr. SPEAKMAN: Mr. Chairman, on a point of order, we are dealing here with a specific bill, and we are not going to go back into history.

The CHAIRMAN: Order, order. I am not going to permit any arguments. It is a matter of record for every member. I do not think it is a matter which should be argued in this committee at all. In fact, I do not think it should have been raised. I think there has been enough said about it to put it on the record.

Mr. BENIDICKSON: I am perfectly satisfied, Mr. Chairman, when you say that this is a kind of thing which should not have been raised by the member from Vancouver, when he suggested that I had no knowledge, when on the government side, of increases in pensions, because there had not been any.

The CHAIRMAN: I said I did not think this question should be raised.

Mr. PUGH: Mr. Herridge asked a question as to the experience with this. The only question I would ask is answered on the record, as of March, 1957. There was a date set for payment at that time.

The CHAIRMAN: If you look at the record, you will find it there.

Mr. STEWART: There was no date set for payment. It was a forecast in the budget.

Mr. BENIDICKSON: Yes. The record from which I read goes on to say that the increased payment would be made as from July first, and that the total cost would be about \$25 million for the full year.

The CHAIRMAN: Perhaps we might go back now and take up those points referred to under Mr. Herridge's motion. The first one is the benefit of the doubt. Are there any questions? I think we had a pretty good debate on that in the house. But there may be some question.

Mr. HERRIDGE: I think it would possibly be more informative and to the advantage of people reading the record, for Mr. Thompson to deal with each one, to give us a short history of the experience with it, and the reason or the purpose of the amendment. I think a person reading the record would then understand it better than if there were just our questioning of various officers.

The CHAIRMAN: Do you wish to do that? Under Mr. Herridge's motion, when we have finished with the other parts of your brief, the committee would like to hear from you on the points you have mentioned that are not in the amendments. Would you prefer to do it now, or later on when you come back?

Mr. THOMPSON: Mr. Chairman, and members of the committee, I shall try to comply with your request as briefly as possible, but at the same time I shall try to give you a rounded picture.

I would like to say in this regard that we did not come here this morning with any summarised presentation on these points, so I hope that we may keep strictly to the points; but if we do not, you will realize that it is because you have gone a step further than was anticipated.

In connection with benefit of the doubt, I think we made it clear the other day to the government, in this brown covered brief, dated December 12, 1960, which was presented to the Prime Minister and the cabinet.

Mr. BENIDICKSON: I do not want to interrupt Mr. Thompson, except in an attempt perhaps to facilitate our discussion here. Mr. Thompson indicated in his blue covered brief—the one he read this morning—that some of these items he felt, because of the shortage of time, or because of the schedule which he thought he was facing, he would not deal with in today's brief. They are recited on page 2.

He said that he felt some of these required statutory changes, and that others were difficulties which could be corrected simply by changes in administrative practice.

Now, in so far as the time proviso is concerned, I think we should consider possible statutory changes while the bill is up for amendment this year, because it may not be up again for a year or two.

I wonder if Mr. Thompson would indicate which of these steps are steps with which his recommendations could be carried out without statutory change?

Mr. THOMPSON: Well, Mr. Chairman, that is a difficult question to answer with accuracy, because we have found from experience that things which we felt could be changed by a change of policy or interpretation, were not always possible to obtain in that manner. With regard to the benefit of the doubt, we have tried for years to change the pensions commission's policy and attitude, and we have now reached the point where we feel, in all fairness, that we have exhausted every means at our disposal of convincing them on this question of the benefit of the doubt. They have given a lot of thought to this and have been quite frank in their discussions with us.

We now come to a point where it seems to us there is a need for some legislative change, but we do not see how you could spell this out any more clearly than section 70 already does. We do feel, however, that there is a need for something and if we cannot convince them of the need for a change in policy then there must be a change in legislation although we cannot suggest what form it should take.

I think that forty of the members in the house have referred to the benefit of doubt and the minister made certain references to it. This is one of the things on which we felt there may be changes taking place on the part of the commission's attitude and that a legislative change may not be necessary. This is one of the points we had in mind when we said "We realize that some of these problems may be remedied by a change in Canadian pension commission interpretation or policy". We say we feel it is the government's responsibility to remedy them one way or the other. This is something we feel might be accomplished without a legislative change, although our experience is that some change is necessary.

On the other hand, retroactive awards is something that, no matter how much the pension commission might want to grant these retroactive awards, the act definitely ties their hands. This is something which very definitely would require a legislative change.

Previously today I have outlined a few of the cases which illustrate the problem. In some instances there has been a letter on file which has been misplaced. In other cases it has just taken a long time to establish the claim. Many of these claims do take a lot of medical review, and so on, before they are established. I think it is true to say that the very nature of them makes it difficult

to clear them up. The open and shut gun-shot wound is simple to get adjudication on, but many of these others do take time. We feel that the time involved in this should not count against the applicant. We feel the applicant should not suffer by this. This is one of the items we feel would need a definite legislative change.

Mr. BENEDICKSON: The rigidity is in respect of the twelve months. Is that correct? The commission has discretion in so far as the effective date of the pension is concerned but only within a period of twelve months.

Mr. THOMPSON: In the normal situation if it is more than twelve months between the time of the application and the decision they can go back twelve months, and then in the case of proven hardship the commission may—not must—go back another six months, and then a further eighteen months. There is a total of three years at the outside.

Mr. ROGERS: Do you think that if they went back to 1946 it might create a lot of problems.

Mr. THOMPSON: Do you mean in connection with retroactive awards? I do not doubt that a lot of complications would be created. I think that these would boil this down to a simple case of clerical arithmetic, or accounting machines, this kind of computation is not sufficient to deprive somebody of something which they should have. We admit there would be complications. We think, however, that the principle is important that these people have lost many years of pension and that a provision should be made to give it to them.

The next one which we believe would need a legislative change is the conditions not recorded on enlistment referred to on page 15 of our December brief. We set forth our case on pages 15 and 16 and on page 17 we have our specific recommendation. We suggest:

That section 13(1) (a) of the Pension Act be amended so that, where a pension applicant who served in an actual theatre of war is found to have a disability resulting from an injury or a disease not recorded on medical examination prior to enlistment, such injury or disease shall be presumed to have occurred or had its inception subsequent to enlistment.

Our experience is that in many cases the pension commission will rule that there was a pre-enlistment condition of which there is no evidence. Sometimes a man makes a statement during his service or even afterward and this is taken as evidence of the existence of a condition prior to enlistment. I remember a case of a man who developed chronic appendicitis. While he was being treated by the doctor when he was in the service he said that his stomach would get upset whenever he ate meat. The commission said that this was evidence of a pre-enlistment condition. That same week there was another case involving a chronic duodenal ulcer where a man had given a similar statement. The commission ruled in his case that the statement was evidence of a pre-enlistment ulcer. There is also the case where the man had repeated something that his mother had told him. We do not think that the pension commission should accept as evidence that his mother told him that he had had rheumatic fever during his childhood; his mother was not a doctor. We suggest that it is unfair that the commission accepts this as evidence against the applicant when it will not accept it as evidence for the applicant. We feel this section should be amended to clarify this situation in order to give the applicant the benefit which the legislators intended he should have. This definitely would need a legislative change and we have suggested the change on page 17 of our December brief.

On the matter of the renewal hearings, this is another one that would need a legislative change. This is on page 20 of our December brief. Take the case of a man who may have had a ruling on flat feet. He goes to appeal, there is an appeal board decision, and subsequently he has a claim for a heart condition. This claim for the heart condition may be very valid; but as the act is now written and interpreted it is necessary for that applicant first of all to obtain leave to reopen, through the commission, before that claim for the second condition can be considered. Our experience has been that there has been no great difficulty—the commission has been most cooperative in granting leave to reopen on new conditions. It does create a delay, however, because the case must be prepared, heard, ruled on, and then we are faced with these time restrictions on the decision. Therefore, we feel this is an unnecessary administrative hurdle to be faced by an applicant. We certainly can appreciate the merit of the provision that you must get leave to reopen when you want to reopen an old condition, but it seems to us that a new condition not dealt with before should not need to go over this hurdle.

This would need a definite legislature change. We make our recommendation on page 21 of the December brief:

The Canadian Legion therefore recommends an amendment to the Pension Act to provide for veterans to claim entitlement by way of renewal hearings on any condition not adversely ruled on by an appeal board.

Mr. CARTER: You do not mean new everything. You mean new physical condition?

Mr. THOMPSON: A completely new condition.

The next matter is the increase in clothing allowance. This is set out in section 30 of the Pension Act. It is referred to on page 21 of our December brief. At that time we asked that the rate be increased. Again this would need a change in the legislation because the amount is spelled out in the act.

That there is the question of gratuity for World War I decorations, the distinguished service medal and the military medal. I understand this is paid by the commission. Possibly the chairman of the commission would correct me if I am wrong, but I believe it is not paid under statute but rather under some other provision.

Mr. ANDERSON: Yes.

Mr. THOMPSON: So this would not require a change in the legislation.

Mr. ROGERS: What is the payment in respect of the M.M. and the D.S.M.?

Mr. ANDERSON: I do not have that at the moment. I will obtain the information for you.

Mr. THOMPSON: The next item is the composition of appeal boards. This is referred to on page 22 of our December brief. The first part of our recommendation in our December brief is that all appeal boards be composed of one lawyer, one doctor and one layman. This is a point which we feel can be remedied by a commission policy change. We realize in this regard that they do have certain problems. We do feel that the difficulties are capable of being surmounted because, we believe it is better to have an appeal board composed of one doctor, one lawyer and one layman.

Mr. HERRIDGE: What do you consider a layman?

Mr. THOMPSON: In the sense of not being a doctor or lawyer.

Mr. HERRIDGE: A very excellent definition.

Mr. ROGERS: I believe the board here in Ottawa generally is comprised of a medical officer, a lawyer and a layman, is it not? Is it not on the travelling boards that the situation arises of which you are speaking?

Mr. ANDERSON: This is the ideal we try to accomplish whenever we can.

Mr. WEICHEL: Do the M.M.'s from the first war receive a payment?

Mr. ANDERSON: No, they do not.

Mr. THOMPSON: On the point of the composition of the board the balance of the board is something which we feel does not need any legislative change, but there is a legislative change which we have recommended under that heading of composition of appeal boards. It is:

That the Pension Act be amended to prohibit a commissioner from sitting on an appeal board for pension entitlement in any case in which he has either dictated, signed or otherwise dealt with an earlier decision.

We feel it is unfair for an applicant to appear before an appeal board and be faced with the decision will he let this commissioner hear his case who would be barred by statute from hearing it unless he waived his right to object. This can delay the case from three months up to six months, and in the case of Newfoundland it sometimes can be longer. This is a very unhappy position for the man to be placed in.

We also believe that every commissioner, as the Act provides, who deals with a case should have his name listed on the record, and he should not be considered as eligible for sitting on appeal. Brig. Melville, former chairman of the pension commission, a short while before his retirement outlined to this committee the procedure used in the board room. Our observations would indicate that in many instances commissioners do deal with cases and their names do not appear on the record. We suggest that this is not in compliance with the provisions of the Act. In fairness to the applicant, we feel that his advocate should know who is eligible and who is not, and that the pension commission should comply with the Act and list these names.

In our brief of December 12, 1960 we recommended:

(a) That the pension commission be forced to comply with section 66 of the Act, and place on the file of the applicant the names of all commissioners dealing with the case, including any commissioner dictating a decision.

(b) That the Pension Act be amended to prohibit a commissioner from sitting on an appeal board for pension entitlement in any case in which he has either dictated, signed, or otherwise dealt with an earlier decision.

Then, the final point we listed on page two of our brief—pension commission directives and instructions. We refer to that at page 25 of our December brief, and we say:

Section 8 of the Pension Act authorizes the commission to make regulations in respect of procedure to be followed in adjudication of claims. This section reads as follows: "With the approval of the governor in council, the commission has power to make regulations not inconsistent with this Act in respect of the procedure to be followed in matters coming before the commission or any appeal board thereof for adjudication."

To the best of our knowledge the pension commission does not issue regulations under this section of the act. The commission does, however, issue directives or instructions having the effect of regulations which have a direct bearing on applications submitted under the Act. From time to time the pension commission sends copies of certain of these directives and instructions to the Canadian Legion, but the Legion has never been able to obtain copies of all of these documents. The Canadian Legion firmly believes that it is not possible for us, as

representatives of applicants, to properly advise on pension applications and to prepare effective submissions if we are not fully aware of all the law and interpretation of it by the body adjudicating on the applications. In order to alleviate this condition, the Canadian Legion recommends that the pension commission be compelled to abide by the act and issue their regulations as provided for in section 8.

Gentlemen, that covers all the points we have. With your approval, and for the purpose of clarification, I would like to say that while the Canadian Legion, in some respects, appears to be very critical of the pension commission from what is being said here this morning, I would like to make it clear that we also appreciate the co-operation we receive from the commission. I think it is part of the democratic right we all enjoy to agree to disagree. There are some of these points which we have just outlined on which we do not see eye to eye with them, and we feel they should be remedied by either a change in policy or legislation.

Mr. FORGIE: Mr. Chairman, in the last paragraph on page 6, under clause 13, we find these words:

The former Minister of Veterans Affairs advised us that it was the intention of the government to have this legislation before parliament during the 1960 session.

My question is this: On what date did the Minister advise him in regard to the introduction of this legislation?

The CHAIRMAN: I think you will find the Minister's answer in last year's statement before the committee.

Mr. FORGIE: Yes, I know, but I would like to hear it from Mr. Thompson.

Mr. THOMPSON: Mr. Chairman, I have not the specific date as to when the Minister said this. As you all know, he said that before this committee on April 7, 1960, when he said:

I am well acquainted with this editorial in the *Legionary*. I am not denying what I said there. I told the president of the Canadian Legion when he visited our officers: "That it is not our intention to make any amendment this year to the Pension Act. We plan to have it before us at the next session of parliament, at which time we will go very thoroughly into all phases of it."

I do not have the date he actually said this.

Mr. FORGIE: Is that date within your knowledge, and, if so, can you produce it?

The CHAIRMAN: Does it actually make any particular difference?

Mr. FORGIE: It would just satisfy my curiosity.

Mr. BROOME: Mr. Chairman, I would like to ask Mr. Thompson, in connection with his criticisms of the pension commission, whether the commission recently has not been taking corrective steps for some of these complaints. Are some of the things about which you complain improving? I am referring particularly to problems in connection with documents and directives, and also in connection with the composition of appeal boards, and whether a real effort is not being made to set up an appeal board which would satisfy your request. I am not holding a brief for the pension commission, but I really believe they are trying to go along with you as far as they possibly can, considering the amount of power they have. Are you in a position to confirm that?

Mr. THOMPSON: We do know from what the commission has told us that they do try to avoid this difficulty in connection with the composition of the appeal board, the unfavourable complaints and so on; however, it may be that their numbers are too small.

Mr. BROOME: Do you recommend more pension commissioners?

Mr. THOMPSON: It is not our place to do so, but if that is what is necessary, it might provide the answer. For years information on appeal board sittings was distributed, and the commission gave us a copy of that, showing the names. The last ones which came out did not have the names listed and we did not know what the composition was. It may have been that at the time of getting them out, the personnel had not been set. However, I do know that the commission are making an earnest effort to keep this balance, wherever possible. I know it is a problem.

Mr. BROOME: In connection with "the benefit of the doubt" clause we, through the Legion brief, have pointed out that nearly 50 per cent of cases heard at appeal in the fiscal year 1958-59 were successful. The inference that can be made from that is that the original hearing must have been open to criticism, if half the decisions were wrong.

I was wondering whether the chairman of the pension commission might comment on that. Possibly it was a case of additional evidence. Would that have a large bearing on this?

Mr. ANDERSON: Yes.

Mr. BROOME: Well, this is rather a damaging indictment.

Mr. ANDERSON: Well, I would dispute that statement. Personally, I feel it is a good thing if, ultimately, the individual receives a pension. It indicates that up until that time he has not been able to establish his claim, and it may well be that realizing that he ultimately may have to go to appeal he wants to keep a little bit of ammunition back for the appeal and, therefore, does not give us all the information at hearing stage. It could indicate that. It also could indicate that for other reasons, perhaps, he has not been able to present all the information. But, when it comes to appeal—and this is the significant thing about appeals—he knows he is at the end of the road, and realizes that he must provide the commission with every bit of evidence that he can find to support his claim. I think that is the basic reason why a high percentage are granted. Also, added to that is the fact that he appears before the members who are sitting on the board, and they say: This is a nice, straightforward type of individual; he has been a good soldier, and we are convinced he is right. All these things add up to increase the number of pensions that are granted at the appeal board level. As I say, I think it is a good thing and not a bad thing.

The CHAIRMAN: Are there any further questions you wish to ask Mr. Thompson?

Mr. ROGERS: Do you find that the records of the second world war veterans are better than the first?

Mr. HERRIDGE: I presume he is speaking about the written records and not the records?

Mr. ROGERS: I am talking about the medical records—service records.

Mr. ANDERSON: Yes, there is no doubt about that.

Mr. THOMPSON: I agree. There is no doubt about that. We still are faced with the situation where the good soldier often has something missing from his record that you need to complete his claim, and this works against his interests.

The CHAIRMAN: Thank you, Mr. Thompson. Reverend Anderson had to leave earlier, and we also thank him for his attendance.

Gentlemen, we now have been sitting nearly two hours and I think it is time to adjourn.

Mr. SPEAKMAN: I so move, Mr. Chairman.

The CHAIRMAN: We still have to go over several sections of the Act. We will have with us on Monday the Amps, and Tuesday we will have another organization. I would like to have as good a turnout as possible on Monday, and I think ten-thirty is as early as we can have our meeting. This meeting is at the request of Mr. Bell, and this was the only date they could get here.

I would ask that you all make an effort to be here for the Amps' presentation. Perhaps we will have time to consider some of the sections. Then, on Tuesday, we will hear the other organization. Those are the only organizations from which I have heard. Perhaps we could wind this up and be ready to work on our report at the end of Tuesday's meeting.

I do not think it is necessary that we sit tomorrow. Is any member of that opinion?

Mr. HERRIDGE: I move that the committee accept your suggestion and sit on Monday.

The CHAIRMAN: All right. The meeting will be at ten-thirty.

Now, your motion, Mr. Speakman.

Mr. SPEAKMAN: I move that we adjourn until Monday morning at ten-thirty.

The CHAIRMAN: You will receive notices and our room number will be furnished in those.

The committee adjourned at 12.30 o'clock p.m.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

FEBRUARY 20, 1961

BILL C-67, AN ACT TO AMEND THE PENSION ACT

WITNESSES:

Mr. A. L. Bell, Honorary Dominion Secretary, The War Amputations of Canada; Mr. K. E. Butler, Member of the Dominion Council, The War Amputations of Canada; Mr. F. S. Chauvin, Member of the Dominion Council, The War Amputations of Canada; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission; Mr. G. J. Harvey, representative of the British Ministry of Pensions.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Jung	Pugh
Batten	Kennedy	Roberge
Beech	LaMarsh, Miss	Robinson
Benidickson	Lennard	Rogers
Broome	MacEwan	Smith (<i>Lincoln</i>)
Cardin	MacRae	Speakman
Carter	Matthews	Stearns
Clancy	McIntosh	Stewart
Denis	McWilliam	Thomas
Fane	Montgomery	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler.
Herridge	Parizeau	
Jones	Peters	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

MONDAY, February 20, 1961.

(5)

The Standing Committee on Veterans Affairs met this day at 10.40 o'clock a.m. The chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Badanai, Batten, Beech, Carter, Fane, Forgie, Herridge, Jones, Kennedy, Lennard, MacEwan, MacRae, Matthews, McIntosh, Montgomery, O'Leary, Peters, Roberge, Robinson, Rogers, Smith (*Lincoln*), Speakman, Stearns, Stewart and Thomas. (25)

In attendance: Mr. L. Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission; Mr. G. J. Harvey, representative of the British Ministry of Pensions. *From the Dominion Council of the War Amputations of Canada:* Mr. A. L. Bell, Honorary Dominion Secretary, of Toronto; Mr. K. E. Butler, Member of the Dominion Council, of Kitchener; and Mr. F. S. Chauvin, Member of the Dominion Council, of Windsor.

The Chairman presented a report of the Steering Committee, as follows:

"THURSDAY, February 16, 1961.

Members of the Steering Committee considered the request of the Canadian Legion for 2,100 copies in English and 200 copies in French of the proceedings of Thursday's sitting of the Committee.

The Chairman was authorized by the Steering Committee to have an extra printing of 2,000 copies in English and an extra 200 copies in French of the Proceedings of Thursday's meeting, and to hand the Canadian Legion 2,100 copies in English and 200 copies in French."

Mr. Rogers moved, seconded by Mr. Herridge, that the said report be adopted.—*Carried unanimously.*

The following documents were distributed to the Members attending the meeting: A table entitled "A Review of Disability Pensions and other Related Rates—W. W. I to 1961", submitted by the Canadian Legion; the "Submission to the Standing Committee on Veterans Affairs", by the Dominion Council of the War Amputations of Canada; and a brief by the Canadian Council of War Veterans' Associations.

Mr. Carter moved, seconded by Mr. Batten, that the table presented by the Canadian Legion be printed as an Appendix to the Minutes of Proceedings and Evidence for this day's meeting.—*Carried unanimously.* (*See Appendix "A".*)

The Chairman then introduced the three representatives of the Dominion Council of the War Amputations of Canada, and invited them to address the Committee.

Mr. A. L. Bell thanked the Chairman for the invitation to appear before the Committee and read the brief submitted by The War Amputations of

Canada. Mr. K. E. Butler and Mr. F. S. Chauvin also made brief statements. Afterwards, the three witnesses were questioned by the Committee and retired.

Mr. Beech moved, seconded by Mr. Thomas and Mr. Herridge, that the Committee express its appreciation of the help and assistance given by the delegation from the War Amputations of Canada in the study of Bill C-67.—*Carried unanimously.*

The Chairman then suggested that, since no further questions were directed to the Delegation of the War Amputations of Canada, the Committee could proceed with the consideration of the clauses of the bill. *Agreed to.*

Mr. T. D. Anderson was called and supplied the explanations required by the Committee in considering Clauses 9, 10, 11, 12 and 13. In considering Clause 11, the Committee invited Mr. G. J. Harvey, a representative of the British Ministry of Pensions, to explain the procedure followed in Britain in respect of the dates of eligibility of War pensions and other matters. Mr. Harvey stated that he would be happy to make available to the Committee at a later date any information that he could not give immediately.

In connection with Clauses 13, Mr. Forgie moved, seconded by Mr. Herridge,

Resolved, —That this Committee recommend that the Government give consideration to the amendment of Clause 13 by deleting the words “of the month next following the day on which this Act is assented to” and substituting therefor the words “of January, 1961”.

After debate thereon, during which the Chairman indicated that the Report of the Committee would probably be discussed in camera by the Committee or a Subcommittee reporting back to the Committee before presentation to the House, the Committee agreed to let the motion stand until the next meeting.

At 12.10 o'clock p.m., the Committee adjourned until Tuesday, February 21.

R. Boivin,
Clerk of the Committee.

EVIDENCE

MONDAY, February 20, 1961.

10:30 a.m.

The CHAIRMAN: Gentlemen, we shall come to order, now that we have a quorum. The first thing on the agenda this morning is a report from the steering committee. Members of the steering committee considered the request of the Canadian Legion for 2,100 copies in English and 200 copies in French of the proceedings of Thursday's sitting of the committee.

The chairman was authorized by the steering committee to have an extra printing of 2,000 copies in English and an extra 200 copies in French of the proceedings of Thursday's meeting, and to hand the Canadian Legion 2,100 copies in English and 200 copies in French. Does the committee approve of that report?

Mr. ROGERS: I move that the report of the steering committee be approved.

Mr. HERRIDGE: I second that.

Motion agreed to.

The CHAIRMAN: Mr. Benidickson asked the Canadian Legion to add a column to the list they had in their brief. We have the information here now and it will be passed around to the members of the committee. Those who are not here this morning may obtain copies of it from the committee clerk.

Mr. CARTER: I understood it was part of Mr. Benidickson's request that this be inserted in the report of the proceedings.

The CHAIRMAN: As I understood it, it was to be furnished to the committee and added to the Canadian Legion brief.

Mr. CARTER: Yes, but I thought it would appear in the appropriate part of their brief, when the brief is printed in the report. I thought that was what was meant.

The CHAIRMAN: That report has gone to the printer, Mr. Carter, and this could not very well form part of the brief now.

Mr. SPEAKMAN: This is part of the December 12 brief.

Mr. CARTER: I am sorry. Is it in order to move that this be incorporated in today's report of the proceedings?

The CHAIRMAN: I suppose, if the committee wants it to be printed in today's report, it would be in order. Will someone make a motion and we can vote on it?

Mr. CARTER: I move that it be incorporated in the report of today's proceedings. I do not think Mr. Benidickson wanted this information just for himself or committee members alone. I think he wanted it for all people who would be interested in the proceedings on this bill.

The CHAIRMAN: You move, then, that the review of disability pensions, as asked for from the Canadian Legion when they presented their brief to the committee, incorporating a 1961 column, be printed in the report of today's proceedings. Is that your motion?

Mr. CARTER: I should like to have the whole page printed—what you have there.

The CHAIRMAN: All right. However, I do not know how you are going to identify this. Does anyone second Mr. Carter's motion?

Mr. BATTEN: I second it.

Mr. CARTER: I think we could print it as an appendix to the report, in reply to Mr. Benidickson's request. That would refer it back to the previous meeting.

Motion agreed to.

The CHAIRMAN: Now, has the brief of the Dominion Council of the War Amputations of Canada been distributed? Has everyone a copy?

Some hon. MEMBERS: Yes.

The CHAIRMAN: We have with us today Mr. Alan L. Bell, of Toronto, the honorary dominion secretary of the Dominion Council of the War Amputations of Canada. Mr. Bell, will you and your two associates come up to the front, please? I believe Mr. Bell is pretty well known to a good many members of the committee. We welcome him here this morning and we shall be very glad to hear his brief. I am going to ask Mr. Bell to introduce his associates and make any remarks he wishes to make before reading his brief.

Mr. ALAN L. BELL, (*Honorary dominion secretary, Dominion Council of the War Amputations of Canada*): Thank you, Mr. Chairman and gentlemen. I should like to introduce Mr. Chauvin on my right, a member of the dominion council from Windsor, Ontario, and Mr. Butler, a member of the dominion council from Kitchener, Ontario.

The CHAIRMAN: I welcome all three of you and, if any of you have anything to say after the brief is read, we shall be glad to hear you. I think the best thing is to go through the brief first. Then members may ask questions, and I am sure Mr. Bell and his associates will be glad to answer them.

Mr. BELL: Mr. Chairman, gentlemen, when we received your invitation we interpreted it to mean that we could comment on the pension increase. We decided to limit our comments to that, rather than deal with other matters in Bill C-67. We appreciate most sincerely the opportunity afforded us to appear before this Committee, in order to present to you the views of The War Amputations of Canada on Bill C-67, amending the Canadian Pension Act.

As we are conscious of the fact that the time is limited for your reception of delegations from the various veterans' organizations, we propose to submit these views in as concise a form as possible, and to confine them to the announced increase in the pension.

We would like, first, to state that while our membership welcomes the 20 per cent increase, they are quite naturally disappointed that it is less than the 33½ per cent which we have advocated strongly in previous submissions, and which we will emphasize again today.

You are doubtless aware the disability pension established for World War I pensioners was based on the average earning power of unskilled workers, the rate set for the 100 per cent war disability being \$50.00 per month.

Unfortunately, pension increases during the intervening years have fallen far behind those granted on the original premise. In 1939 the basic rate of pension was 74 per cent of the average wage; in 1947 it fell to 60 per cent, and remained at that figure, even with the increase effective January 1, 1952. In 1957, when the basic rate was increased, it amounted to 51½ per cent of the average wage.

These percentage figures are based upon average wage rates in effect during these years. (Industrial composite average wage, Department of Labour statistics, table C-1.) For the first seven months of 1960 the average wage was \$75.60 per week, or \$3,931.00 per annum. Our request for a 33½ per cent

increase in the basic rate of pension (now \$1,800.00 per annum) for the war disabled veteran would represent 61 per cent of the average wage rate. This is still lower than our 1939 position.

The average rate is the best proof of our standard of living, rather than the cost of living index. It has increased at a faster rate than disability pensions, regardless of comparisons between single and married veterans, and regardless of gross wages or net wages, or whatever terms are used.

As we pointed out in our brief presented to this committee on March 17, 1960, the war disabled are paying in day by day instalments for disabilities incurred in service to their country. It must be conceded as inevitable that with increasing age these disabilities are progressively burdensome. While many of the war disabled have been able to obtain and hold jobs, there are others who, because of their disabilities, find it difficult to compete with the able-bodied, particularly in a period of extensive unemployment.

We are confident the people of Canada are in agreement with us in our firm opinion that the country's war disabled should receive pensions adequate to provide the necessities of conventional living for themselves and their families, and we would like to reiterate our conviction, stated in our presentation of March last, that the place to save money in either a period of inflation or a programme of economy is not in veterans' legislation.

We feel, therefore, we are fully justified in making a strong recommendation that the Government reinstate the comparative percentage of pensions to at least 61 per cent of the average wage by an increase of $33\frac{1}{3}$ per cent across the board.

We wish to express again our gratitude for your courtesy in receiving us today. If there is any further information you would like on the points covered, we shall do our best to be helpful.

Perhaps Mr. Butler and Mr. Chauvin would like to add a word to what is before you.

Mr. K. E. BUTLER (*Director of the dominion council of the War Amputations of Canada*): I should like to add a few words to this. There is one thing I am not quite clear on, and that is the term "war disability pensioner". In our legislation, as I understand it, a 100 per cent war disability pensioner is unable to earn anything. He is 100 per cent disabled. In my submission I am going to deal only with the single man because he is the one supposedly being compensated and, under the proposed legislation, providing him with a 20 per cent increase means that he will receive 46 per cent of the unskilled labour market average wage. I do not know how you arrive at a 46 per cent or a 61 per cent proportion, but the premise we are thinking of is that for a pensioner with 100 per cent disability, or even one with 70 per cent disability, a $33\frac{1}{3}$ per cent increase would give him only 61 per cent of the average wage that a normal, able-bodied person can earn.

There is no compensation whatsoever for pain or suffering, or for expenses a pensioner must incur because he cannot climb a ladder, mow a lawn, use public transport and so on, but still he is being awarded only 46 per cent of the wage he could otherwise earn.

Possibly the three of us are not the best representatives to appear before your committee. We, shall we say, are in the skilled labour market and can afford to come down here. Possibly it might be better to have somebody come here who has holes in the seat of his pants, somebody who really cannot afford to attend because he is unable to compete with able-bodied men in his job. I think our request for a $33\frac{1}{3}$ per cent increase is a very modest one. In effect it is a request to increase pensions up to $66\frac{2}{3}$ per cent of the average wage in the labour market and we believe it is very reasonable.

The CHAIRMAN: Thank you, Mr. Butler.

Mr. F. J. CHAUVIN (*Director of the dominion council of the War Amputations of Canada*): Mr. Chairman and gentlemen, it seems to me that the only thing we can direct your attention to are statistics and, in speaking to such a limited subject we are, of course, very confined but I trust you will bear with us in a repetition of certain statistics. However, there is one principal item with respect to this bill, in speaking of the pension itself, which I think should be very seriously considered, and that is the effective date as proposed. The relevant section, as it stands, contemplates an effective date of the first of the month following passage of the bill. This is a very important bill and one which could conceivably receive a lot of discussion. In any event, the principle of pensions is in contradiction to what is contained in this section. Pensions, as you know, are paid for the previous month. They are retroactive to the extent that, when they are received, they are received for the previous month, and I submit the effect of this enabling section, upon passage, is contradictory to the principle upon which a pension is dispersed by the government. The proposed effective date is a situation which has been spoken to by members of the house in initial discussions upon this bill. We wish to heartily endorse the perspective and courage of those members who have spoken to this effective date, and who have advised the government that this effective date should be changed. This is something which, if accepted and recommended by you to the house, would establish no precedent. It has been seen in previous pension legislation when increases to the compensation have been effected. When compensation has been noted by the house to be deficient, according to the standards upon which it was established, the house in its very wise discretion has endeavoured to amend the defect, now being corrected by making it retroactive. In 1948 it was retroactive for a period of at least six months, according to my recollection. The department can give you specific dates on this. We are being paid in arrears. The pension increase takes note of the effect of which veterans organizations and the standing committee on veterans affairs have been cognizant for some considerable period of time. It is to be hoped that these convictions will be buttressed by justification of the complaints entered by this committee over previous years.

It would be my submission to you that this enabling section should be made retroactive. It is not for us to tell you how long it should be retroactive, but we do submit that it is an entitlement which has been recognized for a period of time. In consequence, within your discretion and subject to the decision of the house, I submit it should be retroactive.

I must depart from the statement of Mr. Bell, our leader, in this discussion, in saying that we were going to confine our remarks solely to the pension bill. I did not have the opportunity of reading this until last evening, but I do note—again speaking of the effective dates—that there is a new section being introduced into the act. It is referred to as section 5 in the bill. This refers to section 34 of the act, adding thereto a subsection 5. This deals with a situation with which Mr. Anderson's department has been confronted on a number of occasions in the past and on which they have been unable to render any assistance. They are recognizing the entitlement for assistance to a lady who has served very generously and continuously, over a period of years, in the assistance and comfort of a veteran. I believe it states here that she has to put in seven years of service before she is qualified, so I do not think there is too much danger in considering the effective date of it. I suppose I can only recommend that this be reconsidered by the drafters of the legislation, that is that the intention was that the department would have the discretion, or the power, of dealing with situations which they have already had to refuse. However, there are some tenets of legal interpretation which very well may preclude the exercise of that power

by the commission and the department, since this act is proposing an effective date on the first day of the month following passage. A strict interpretation could impose a limitation upon the use of this section which is designed to correct a previous anomaly and a previous injustice.

I can only suggest to you that consideration be given to having this matter reviewed by the legislative council to ensure that the correction of the difficulty shall be as extensive as it was intended to be.

Mr. McINTOSH: Would you elaborate a little more on section 5?

Mr. CHAUVIN: In elaborating on section 5 I am referring, of course, to the effective date. It provides the department with the power to render assistance in a situation where a pensionable veteran is living with a woman whom he is prohibited by legal difficulties from marrying. It permits him, after seven years of living with that person, to receive a marriage allowance for her, and subsequently on his death she would be entitled to the widow's allowance. The situation, as I view it, is that a probable interpretation of this section would be that it would have effect in those situations which come to the attention of the department as and from the effective date of this bill. It is my suggestion to you that it was intended to correct situations which are known to the department now, and if that is so it should be specifically drafted to preclude any strict legal interpretation which would nullify the intent of the section.

Mr. McINTOSH: I am not too sure what you are getting at. Are you proposing some change in the wording of this from what it is at the present time in order to cover what you have in mind.

Mr. CHAUVIN: If it were to be strictly interpreted the department could be confined only to those situations brought to its attention subsequent to this enactment.

Mr. McINTOSH: What do you suggest the wording should be? I assume you are a lawyer. You have seen this point.

Mr. CHAUVIN: I have seen this point interpreted, and I am a lawyer. It is with that view that I would suggest perhaps you might invoke a notch provision, such as is sometimes invoked in other legislation, granting to the commission a retroactive power to meet this situation and dealing solely with that section, saying that they are not bound by this effective date, or giving a prior effective date.

Mr. CARTER: You are not thinking of the effective date of payment, but rather the effective date of considering the cases.

Mr. CHAUVIN: The effective date of qualification. I have no intention of suggesting that the retroactivity should be accumulated for the pension entitlement, but rather retroactivity for qualification.

Mr. HERRIDGE: It is theoretically possible under this section, as you read it, for a case to be brought to the attention of the commission a week before this legislation is proclaimed, and be denied because there is no retroactive provision.

Mr. CHAUVIN: That is exactly what I am thinking of. I do specifically have in mind a couple of cases in the south-western part of Ontario which have already been refused on these specific grounds. Unless there is some retroactivity, or discretion accorded to the department, in my submission they still will be out in the cold.

Mr. CARTER: What you want is an addition which would enable the pension commission to reconsider a previous application.

Mr. CHAUVIN: Exactly.

Mr. STEARNS: Would you go back as far as September, 1939, in dating this?

Mr. CHAUVIN: I could not say how far back it may be necessary to go. That would be best determined. I suppose, upon examination of the department's records. The year 1950 may very well embrace it. I am submitting to you for consideration that it is possible this section needs reconsideration by the drafters of this legislation.

Mr. JONES: I wonder if a comment on that section would be helpful at this time. It is my understanding, in the case that was mentioned by the speaker, that if those persons applied again they would receive consideration. Perhaps the chairman of the commission might elaborate. I think his viewpoint on this will clear it up.

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Mr. Chairman, the very purpose the speaker has referred to here is the one we had in mind when this legislation was framed. These are the persons we wanted to take care of. The legislation was drafted for that purpose. Over the years we have had many claims which we have had to refuse because of the fact that these persons were not properly married. Now this legislation gives us power to pay additional pension for a common-law wife, as she is commonly called, and provide for her protection in the event of the death of the pensioner. It does not matter, when the situation arises, when they enter into the common-law union, or when they apply. They have full protection, after this amendment goes into effect.

Mr. HERRIDGE: In your view does that mean that a previous claimant whose claim had been rejected prior to this legislation has to apply for reconsideration, or will the file be reviewed?

Mr. ANDERSON: I would not be prepared to make any hard and fast statement on that, but I suspect the commission itself will give that consideration in due course and we will in most cases review these files. There are not a tremendous number of them; it is not a major problem. I hope they would be reviewed.

Mr. ROGERS: If a common-law wife had made an application, say six years ago, is she going to get back pay under this?

Mr. ANDERSON: No. She could only be paid on the effective date of this amendment.

Mr. ROGERS: This is just for qualification.

Mr. ANDERSON: Yes.

Mr. CHAUVIN: Now, in speaking to the matter of the pension increase, I do wish to buttress the submissions which have been made by my colleagues, Mr. Bell, and Mr. Butler. The Dominion Bureau of Statistics figures have some very interesting facts for us to consider, the principle of which is the number of pensioners being paid to disabled veterans and their dependents throughout the years. I do not intend to belabour you with those figures. The 1960 budget showed, according to reports from the departmental files, that there were 186,380 confined pensions being paid pursuant to this act, and that the total bill to the government, in round figures, was \$146 million. Those statistics over the past five years do disclose that the number of pensioners was decreasing at the rate of 1,400 to 1,500 a year last year, in round figures and in the previous year approximately 1,850. This brings into focus the situation, which must be evident, that the number of pensions being paid on account of disabilities incurred prior to World War II is rapidly declining. The grim reaper is taking his toll also in ever increasing numbers upon the World War II veterans. This brings into focus the need for very serious consideration of the principles of the act which intend to compensate the 100 per cent pensioner. The 100

per cent pensioner is becoming more seriously affected and is more deserving of stricter attention and more conformity with the principles of compensation for the disability he incurred on behalf of his country. In that regard I would endeavour to impress upon you the deficiency that is still patent in dealing with veterans pensions. We were here before you in March of last year. I was unavoidably absent, but *Hansard* records the comments of the committee in inquiring why at that time we should be satisfied in our submissions with half a loaf, rather than a whole loaf. We recognize that perhaps we are burdened with tradition where a disparity between the average rate and the pensionable compensation has been created, and we are bowing to that tradition. We do feel, however, that it is necessary to keep the 100 per cent pensioner socially afloat and in every respect preserve him from being a welfare recipient in any local community or society. We have felt, and we do feel, that a 33½ increase is a minimal requirement on the present basic rate.

Dominion Bureau of Statistics figures show that over the past five years pension and other benefits have decreased from 5.2 per cent participation in the total budget down to 4.7 per cent. That budget reflects the cost of living. This legislation has not kept pace with that cost of living. The actual pension benefit—divorcing it from hospitalization and administrative charges—is reduced, in my arithmetic, at its present rate, predicated on last year's budget for expenditures, to 2.5 per cent of the budget. The proposed increase, predicated upon last year's expenditures would be a five per cent increase in participation in that budget. If the budget, as is rumoured, should be higher, that percentage, of course, would be adversely affected. To meet our request for a 33½ per cent increase would represent a request for an additional .4 per cent participation in the defence expenditures. I do not think it is too much. We certainly feel it is necessary.

Thank you, gentlemen.

The CHAIRMAN: Mr. McIntosh had his hand up. I did not notice anyone else.

Mr. SPEAKMAN: I had my hand up too.

Mr. MCINTOSH: I am not too sure whether the suggestion has been made this morning by your group that the rate of increase should be different for the 100 per cent pensioner to what it is for all other pensioners.

Mr. CHAUVIN: Perhaps we have spoken in loose terms that have tended to mislead. Perhaps we deal too closely with the Pension Act and do not think in terms of misinterpretation of what we say. When speaking to the question of compensation under the Pension Act, the common denominator in legislation is the 100 per cent disability pensioner and, in using that common denominator, we do not intend to detract in any way from other pensioners or differentiate between other pensioners. Other pensioners are affected proportionately on the 100 per cent basic rate, according to the determination of the percentage of their disability, so that there is no discrimination in our presentation. There is no intention whatsoever to differentiate between the 100 per cent and the 5 per cent disability pensioner. The 100 per cent pensioner is referred to because that is the base under which all determinations foundation for discussion on the act.

The 100 per cent pensioner is referred to more frequently in submissions of this nature because he is the person most gravely affected, the person under the Pension Act are predicated and, having been so based, was the most in need of protection and assistance under the act; and the others, according to the ratio of their disabilities, are comparatively affected and in need of protection through this legislation. Does that answer your question, sir?

Mr. MCINTOSH: From the arguments put forward by your people this morning, I would suggest that you are discriminating between the 100 per

cent pensioner and lesser pensioners for this reason, that you base your demand for a 33½ per cent increase on an average wage rate. You gave certain figures which you got from the dominion bureau of statistics, but I do not think this average rate applies on farms throughout western Canada. Indeed, it may not apply right throughout Canada because farm income for years has been \$1,200 a year; yet here you base your claim on an average wage of \$4,000 a year which does not apply to these farms and I am wondering what amount of supplementary income these other pensioners may get.

Mr. HERRIDGE: May I ask a question before you go ahead?

Mr. SPEAKMAN: I had my hand up some time ago.

Mr. HERRIDGE: Mine is supplementary to Mr. McIntosh's question. What you are actually advocating when you base your argument on a 100 per cent disability pensioner in comparison with the average wage rate, is a 33½ per cent increase in pensions across the board?

Mr. CHAUVIN: That is precisely what the brief submitted.

Mr. McINTOSH: I would agree with the argument for a 100 per cent pensioner who has no supplementary income, but I cannot agree with it for those with less than 100 per cent disability and who have other income. Have you any figure of the number of cases involved?

Mr. CHAUVIN: To delineate it to specific cases would involve more staff than the Department of Veterans Affairs has. I am not intending to avoid your question, sir, but the situation is submitted and predicated upon the intention that this legislation was designed to affect—legislation as initiated back in 1919.

Mr. McINTOSH: I wonder have you any figures of 100 per cent disability pensioners who have not supplementary incomes?

Mr. CHAUVIN: I am sorry to say I do not have such figures.

Mr. McINTOSH: I wonder has the department?

Mr. CHAUVIN: I am sure the department would have figures but I do not know if they would have information on supplementary incomes.

Mr. McINTOSH: Would you agree that a large proportion of all pensioners have supplementary incomes?

Mr. CHAUVIN: I shall bring this down to local cases, which is what you seem to desire. Speaking with knowledge of my own area, we have an organization in which all members are very active, at least all pensioners who are entitled to compensation for amputations as a result of war service, but does not include all cases of blindness. However, we in the Windsor area have an organization of which there are 48 active members. I cannot give you the figures of 100 per cent disability pensioners but I can tell you that of those 48, six are permanently unemployed, and there are another six retired, which makes 25 per cent of the total. Of the six who are retired, I believe four are receiving some form of retirement income—adequate or inadequate I cannot inform you—and the other two are receiving no form of retirement income.

Mr. McINTOSH: There are some 180,000 odd pensioners and 13,000 are getting war veterans allowances. As you can see, there is a great difference between 180,000 and 13,000 and I should like to know how many are in receipt of supplementary incomes.

The CHAIRMAN: Those 180,000 would not all be 100 per cent disability pensioners.

Mr. CHAUVIN: I am certainly not prepared to break down the figures on supplementary income. If I understand the provisions of the act correctly, it is not designed to take into effect supplementary incomes. There is no means test under this act, and it was never intended that there should be one.

Mr. McINTOSH: What you are getting at is that the Canadian government should supply these people with a standard of living—possibly you can say it is a minimum standard—and that a proportion of the pensioners are getting less than they should receive to reach that standard?

Mr. CHAUVIN: That is our submission. The minimum requirements are the considerations to be taken into account in discussion upon the Pension Act.

Mr. McINTOSH: Are you satisfied that the figures you gave represent the average wage rate?

Mr. CHAUVIN: Yes—\$3,900, or something like that. It is taken out of the dominion bureau of statistics figures, but I am sorry to say that is not the average wage for many of our associates in the southwestern Ontario branch. I cannot try to analogize specific cases.

The CHAIRMAN: Mr. Speakman has a question.

Mr. SPEAKMAN: First of all, I want to say that I agree with the submission, up to a point. We have here a submission based on the average wage for a single man. That is put forward for comparison purposes; but I think we must always keep in mind that almost 97 per cent of average Canadians are married and, therefore, I think this comparison is not quite fair. The average Canadian today is a married man with three children and, therefore, the average rate of pension for a 100 per cent disability pensioner should be \$3,600 annually. That comes very close to the national average of income, and I think if we are going to have averages we must average across the board. The average Canadian labourer pays income tax on \$1,200 of his income; but the average 100 per cent disability pensioner, who is receiving only pension as income, pays no income tax and so there is a finer equalization of income. If you look at it this way, the 100 per cent pensioner receives his hospitalization free, as well as considerable other benefits which are not available to the average Canadian. Therefore, if we are going to use the average we must use it across the board.

I should like to say to Mr. Butler that no government, no country, can ever pay for the pain and suffering of its pensioned forces. Fortunately I went through the war without getting a mark, at least a pensionable one, but I experienced 12 years in uniform. To return to the issue, I think we must keep to the average across the board, if we are to use averages.

I should now like to go back to the question of common law wives, under section 5. It is my recollection that, at the beginning of the war, to qualify for pay and allowances for common law wives, they and their husbands had to have lived together for seven years and this is just carrying that on to protect these people, the common law widows. The world war gave rise to many of these common law unions, and many have been entered into since then; but we must remember that disability pension is a matter of right and the disabilities for which pension is granted were incurred during service. I think we should always remember that, in dealing with pensions and war veterans, there are no partisan politics and there should not be, because every Canadian should be concerned about every Canadian veteran. I say we should stick to the principle that the widows we are now speaking of under section 5, should be widows of veterans who were disabled during service, because otherwise we could take in a very wide field. I have no intention of trying to save money for the government or the country in this way. I think the taxpayers would be very reluctant to try and save money in this way but we have to try and accept the fact that there are limitations to how generous we should be. We have been getting very generous recently in this type of legislation when we include allied veterans and give them

allowances but yet deny these allowances to some Canadians. After all, Canadians are the first responsibility of a Canadian government, whether they are veterans or otherwise.

Mr. KENNEDY: Mr. Chairman, I should like to ask a question of the chairman of the pension commission. At the moment, we are discussing basically the 100 per cent pensioner. Mr. Anderson, under the provisions of the dependents allowances which are available to 100 per cent pensioners who are in such physical condition that they cannot help themselves, I should like to know how the provisions governing dependents allowances are applied. Is a dependents allowance available to a pensioner who needs supplementation because of his physical condition, and is unable to supplement his income?

Mr. ANDERSON: Yes, Mr. Chairman. The attendance allowances, of course, range from \$480 up to a maximum of \$1,800 a year. Dependent on the extent of a man's disability, he can receive attendance allowance somewhere between those two figures. In actual fact there is a very small percentage of 100 per cent pensioners who are not employed. In effect, when you say a man is a 100 per cent pensioner, that does not necessarily mean he is 100 per cent disabled, but in many cases where men are totally disabled and helpless, and unable to look after themselves, there is the added assistance available under the attendance allowance—which, as I say, ranges from \$480 to a maximum of \$1,800 per year, depending on the extent of disability.

Mr. BUTLER: May I answer one question here? The question has been raised about the fairness in our submission of using the single 100 per cent disability pensioner as the foundation of our brief. I think this is probably more fair than taking the average of a man and wife with three children, because children's allowances increase that man's income. They also increase the income of disability pensioners, but these allowances only go on for a certain number of years. It would be most unusual for any World War I pensioner to be receiving anything for children at this stage, unless he is married to a very young wife and, within the next 10 years, it is unlikely that any pensioner will be receiving any pension assistance for children because this assistance only goes on until a certain age, depending on what educational requirements the children have. Therefore, I think the basis of a single person is better than taking the average of a husband and wife having three children, because they only receive temporary benefits. I say temporary, though it could be 16 years or 22 years benefit.

The CHAIRMAN: Are there any other questions from members of the committee? If not, I think the committee will go on to discuss the sections of the bill. We left off at section 8 the other day. Now, Mr. Bell, you and your associates may remain if you wish.

Mr. THOMAS: We would appreciate it if we could hear you, sir.

The CHAIRMAN: I was just speaking to Mr. Bell, telling him he could remain if he wishes but that the committee will now go on to discuss sections in the bill, if that is agreed.

Mr. BEECH: I think we should thank the members of the deputation for coming here this morning and letting us have the benefit of their views.

The CHAIRMAN: I was about to do that, but I should like to have it come from a member of the committee.

Mr. BEECH: I move that the deputation be thanked for their presence here this morning and for their assistance in helping us to arrive at any decision we may come to later.

Mr. HERRIDGE: I should like to second that.

The CHAIRMAN: It has been moved by Mr. Beech, seconded by Mr. Herridge and Mr. Thomas, that the deputation be thanked for their attendance here this morning.

Mr. BELL: Mr. Chairman and gentlemen, we thank you very much for receiving us today and we are looking forward to coming before you again to deal with other problems when you are considering your estimates.

The CHAIRMAN: We shall now take up clause 9 of the amendments which deals with subparagraph (1) of paragraph (a) of subsection (1) of section 42 of the act.

On clause 9—1957-58, c.19, s.18.

Mr. THOMAS: I wonder could we have a statement from the chairman of the pension board as to the reason for this.

The CHAIRMAN: You will notice that the new part of the clause is underlined. Mr. Anderson, could you say anything about this?

Mr. ANDERSON: Yes, Mr. Chairman. This is designed to put the man serving in the regular forces in the same position as any civil servant with regard to pension. For example, when a civil servant who is in receipt of 50 per cent pension dies, let us say on the third of the month, his widow receives his civil service pay for the whole of the month, right to the end of the month, and may also receive a widow's pension effective from the date immediately following his death, that is effective from the fourth of the month. Therefore, she can get both payments during that time, salary and pension, and this provides exactly the same benefit for a member of the regular forces. That is all it does.

The CHAIRMAN: Are there any other questions?

Mr. SPEAKMAN: I think we can all heartily agree with that, Mr. Chairman.

The CHAIRMAN: Shall we pass on to clause 10 which deals with sections 50, 51 and 52 of the act?

On clause 10.

Benefits to persons who served in allied forces and were domiciled in Canada at commencement of World War I.

The CHAIRMAN: This deals with sections 50, 51 and 52 of the act. These are new sections. Perhaps Mr. Anderson might explain this.

Mr. ANDERSON: It is very straight forward. It is simply a question now of providing for veterans who served in an allied force. If they are rejected upon application to the government of the allied force with which they served they may come direct to the Canadian pension commission and apply for pension entitlement. Up until now, as you know, a Canadian who served in the forces of the United Kingdom, say the R.A.F. during World War II, if he incurred a disability as a result of his service with the R.A.F. is required under the existing legislation first to go to the British ministry of pensions and apply for entitlement. If he is rejected then he is out so far as we are concerned; we can do nothing more for him. Even if he is given entitlement without any pension we cannot do anything for him. On the other hand, if the British ministry does grant a small pension we can supplement that to whatever he would have received had he received his pension directly from the Canadian pension commission.

Mr. BEECH: Does this apply to the Newfoundland veterans also?

Mr. ANDERSON: As a matter of fact the Newfoundland veterans had this concession all along ever since Confederation. All we are doing is bringing Canadians from other provinces into the same position with the Newfoundland veteran.

On clause 11.

Northwest rebellion pension to be continued.

The CHAIRMAN: This deals with section 55 of the act. There is some new wording in this.

Mr. ANDERSON: This simply brings the members of the Northwest rebellion under the new sections of the act the same as they were under the old. There is nothing particularly significant in this amendment. We do not bring in the Fenian raid people because there are none left.

The CHAIRMAN: I suppose there are not too many of these Northwest rebellion people.

Mr. ANDERSON: That is right.

Mr. FANE: Are there any?

Mr. ANDERSON: Three.

Mr. McINTOSH: Mr. Chairman, I wonder if Mr. Anderson could tell us whether or not there are any claimants from the South African War who have not been looked after?

Mr. ANDERSON: The South African veterans, of course, are in the same category as those who served in the British forces during World War I and World War II. They must first secure entitlement from the British government following which we supplement whatever pension they receive. So far as I am aware certainly any South African veterans who are in receipt of a British ministry of pensions pension are being brought up to the Canadian rate by the Canadian pension commission. Is that the point you were getting at?

Mr. McINTOSH: I am concerned about the South African veterans in respect of this cut-off date of May 2. I am wondering what would happen if a volunteer in the Canadian forces—I brought this up before—arrived later than May 2 although it was through something that happened in training or through some accident which happened to him while he was in uniform. He would still have to apply to the British ministry?

Mr. ANDERSON: Yes.

Mr. McINTOSH: I am going to take up the matter of the South African veteran later on in respect of war veterans allowance, but I am wondering if there are any cases which are not covered where they are entitled the same as the veterans of World War I and World War II.

Mr. ANDERSON: I think the situation is very clear cut. If they do get entitlement from the British ministry, then we supplement it. Otherwise we cannot do anything.

Mr. McINTOSH: If they do not get that entitlement from the British ministry, Canada has nothing to do with them?

Mr. ANDERSON: That is right.

The CHAIRMAN: Under this new legislation is there any difference?

Mr. ANDERSON: Not in respect of the South African veteran.

Mr. SPEAKMAN: Does this also apply to our own Lord Strathcona Horse veterans who served in South Africa?

Mr. ANDERSON: Yes. They were all with the British forces.

Mr. SPEAKMAN: They were not Canadians as such in South Africa?

Mr. ANDERSON: No.

Mr. HERRIDGE: I would like to ask the chairman of the commission this question: is it not a fact that the British ministry of pensions in their rulings give a landing date in South Africa as the final date on which the pensioner would be recognized as being on active service and that they do not consider those men who were on the high seas at the time the war terminated.

Mr. ANDERSON: I am not too certain on this point. However, I notice that the representative from the British ministry is here.

Mr. HERRIDGE: I did not realize that he was here.

Mr. ANDERSON: Mr. Harvey.

The CHAIRMAN: Mr. Harvey, would you mind coming up here. You may be able to help us on this.

Mr. G. J. HARVEY (*Representative of the British Ministry of Pensions and National Insurance in Ottawa*): I did not quite get the question.

Mr. HERRIDGE: Possibly I might put it better in this form. Because we are interested in the South African veterans could you explain to the committee when a veteran who served in the South African war is considered by the British ministry to have been on active service. Would you also answer the question in respect of service in India on the Northwest frontier?

Mr. HARVEY: Mr. Chairman, I did not come here briefed on this. As you will appreciate, the South African war was a long time ago. At that time there was no British ministry of pensions. This was entirely the responsibility of the war office. Therefore, I have to be a little careful in what I am saying.

The CHAIRMAN: Would it be possible for you to obtain that information for us so that we might have it tomorrow.

Mr. HARVEY: I could get it for you and give it to you tomorrow morning. Insofar as the Northwest frontier is concerned there were certain actions which took place on the Northwest frontier that are defined in Army Orders which authorizes the Victory medal. So far as persons in receipt of the Victory medal are concerned they can be considered then for W.V.A. There was a certain amount of activity which took place on the Northwest frontier after the war ended. No Victory medals were given out after November, 1918. There was no more action after that date which was defined as being part of the first world war.

The CHAIRMAN: Thank you very much, Mr. Harvey.

Mr. McINTOSH: While Mr. Harvey is here I wonder if I might ask him a question in regard to the gallantry awards. There was a cash payment for gallantry award in the second world war in Canada but not so in the first world war. I understand there were negotiations going on between the two governments, Canada and the United Kingdom, to the effect that Canada would take over these recipients of World War I. I am wondering at what stage those negotiations are at the present time. Could you answer that question?

Mr. HARVEY: I do not know that it would be proper for me to go into detail on this. I think this is really a question you should address to the Canadian government. We have been asked for a certain amount of information which we have given.

Mr. HERRIDGE: I have a question first of the chairman of the Canadian pension commission. On what date did the first world war terminate in respect of a veteran being considered as being on active service and under the Pensions Act or the War Veterans Allowance Act?

Mr. ANDERSON: The end of August, 1921, is the date for World War I. The first of April, 1947, for World War II.

Mr. HERRIDGE: Now my question is addressed to Mr. Harvey. Would Mr. Harvey, as the representative of the British ministry of pensions, be in a position to bring to the attention of the ministry the fact that there are certain Canadian citizens suffering a lack of pensions or war veterans allowance because of the British ministry of pensions date in respect of the termination of the war and our termination date.

Mr. HARVEY: I would be glad to pass on any representations which are made to me, sir; but I think there perhaps may be a little misapprehension here. If I understand you correctly you are speaking of the qualification which is put by the Canadian government upon a man who wants to make a claim. They say that in order to get a certain pension he must have the Victory medal.

Mr. HERRIDGE: Yes.

Mr. HARVEY: I think you would agree that you cannot very well require the British government to alter its rule about the Victory medal merely to enable a man to qualify for the benefits of another country.

Mr. HERRIDGE: I see your point.

Mr. HARVEY: The qualification is imposed by the Canadian government; it is not a qualification that is laid down by the British government.

Mr. HERRIDGE: The Canadian government says you must qualify according to the British ministry of pensions regulation.

Mr. HARVEY: These are the war office regulations regarding the award of the Victory medal.

Mr. HERRIDGE: What would be the most appropriate way for a Canadian veterans organization to make representation in this connection to the British ministry of pensions?

Mr. HARVEY: They should be made through the war office. That would be the appropriate department.

Mr. HERRIDGE: There is a discrepancy there.

Mr. HARVEY: I am well aware of the situation, but it really is not one that the British ministry of pensions could do anything about. It is a condition governing the award of the Victory medal. The Army Order says that people who served in certain areas and at certain times qualified for the Victory medal.

Mr. HERRIDGE: Would the members of the committee be able to get these orders in council?

Mr. HARVEY: Yes. They are readily available, sir.

Mr. HERRIDGE: Thank you, sir.

Mr. PETERS: Do the benefits of this act apply to those who served in wars subsequent to the second world war? I am thinking of Korea and those who are now disabled in the Congo, for instance. Does the pension commission operate on behalf of those persons and their dependents in the same manner as it does in respect of World War I and World War II?

Mr. ANDERSON: Yes, except in the case of those who served in Korea there was what is known as the insurance principle which was made to apply. Those serving in the regular forces today, no matter where they are, are dealt with under section 13(2) of our act which requires that their disability must have arisen as a direct result of service.

Mr. PETERS: The clause "aggravated by service" is not applicable?

Mr. ANDERSON: Let me put it this way. If a man is taken into the regular forces with a condition and can establish the fact that as a result of his service it became worse he can get entitlement for that.

Mr. HERRIDGE: There is a point which may be of some assistance when the estimates are being discussed. There are a number of cases which various members of this committee run into affecting certain Boer War and Northwest frontier veterans. Mr. Harvey has agreed to give us the order in council and the legislation which is in effect in Great Britain and I am wondering if the chairman of the Canadian pensions commission would mind preparing a memo-

random in which he could outline the contrast between our law and regulations and that prevailing in the United Kingdom. He might also give us an idea of the number of men who might be affected because of this, shall I say discrepancy—and I use that term advisedly—so that the committee can get a clearer idea of the circumstances surrounding the denial of pension or war veterans allowance to this small group of veterans. It is quite complicated for some persons.

Mr. ANDERSON: You say “this small group”. To which group are you referring? Do you mean all Canadians who served in the British forces?

Mr. HERRIDGE: Those Canadian citizens who served in South Africa in the Boer War and in the Northwest frontier in the first world war. There are a number affected because of this.

Mr. ANDERSON: Those who served in other theatres of war during World War I and II will now be taken care of under this amending legislation.

Mr. McINTOSH: I am wondering how the wording of this section where it says “members of those forces” would compare with the definition of military service. Are these members who fought in the Northwest rebellion and World War I the only ones who qualify?

Mr. ANDERSON: Which particular section of the act are you referring to?

Mr. McINTOSH: The original Pension Act as I understand it is based on the commencement of World War I.

Mr. ANDERSON: Yes.

Mr. McINTOSH: I am asking if this has any reference to the Northwest rebellion?

Mr. ANDERSON: There are special provisions in the act to bring those people under the act. It would be section 55. Then section 54(1) says:

The pensions that are now being paid by Great Britain for disabilities or deaths that occurred during the South African War to or in respect of members of the Canadian contingents...

and so on. Section 55 makes special provision for the Fenian Raid and the Northwest rebellion people, and so on.

Mr. SMITH (*Lincoln*): Could we go back to the matter Mr. Herridge raised in connection with veterans in the second world war who served on the Afghanistan frontier. Would Mr. Harvey give this some thought. I understand there were some 5,000 in India who served on the Afghanistan frontier. They received the India medal and the Afghanistan medal but not the Victory medal. Therefore, they are not entitled to the war veterans allowance. So far as I can find out there were only 5,000 and a small proportion of them came to Canada. I have knowledge of probably three cases.

The CHAIRMAN: Are you referring to Canadian citizens?

Mr. SMITH (*Lincoln*): No, British Imperials.

Mr. HERRIDGE: Who in many cases are Canadian citizens now.

The CHAIRMAN: But were not during the time of their service. Mr. Harvey, will you be able to obtain that information?

Mr. HARVEY: I have already promised that I would bring along the relevant orders which define the areas and the dates during which a man qualified for the Victory medal. This is not a matter with which the British ministry of pensions is responsible. As I said before this is the war office and if representations are to be made they should be made to the war office. This question has been aired quite thoroughly recently. We have passed these representations on to the war office. The war office has said that at this date in time it would be quite impossible to try to alter all the Army Order to give

authority to issue victory medals. It is not through any lack of willingness to try to do anything, but they say the situation on the Northwest frontier at that particular time was so confused it would not be a practical proposition anyway. There were certain actions which took place in certain areas that do qualify and if a person served in these particular operations he would receive the Victory medal in respect of service on the Northwest frontier. One case which I have seen, and which I think may have given rise to this question generally referred to a person who served on this particular frontier after November, 1918 and there was no service after 1918 that would qualify a person to receive the Victory medal.

Mr. SMITH (*Lincoln*): That is right, but there were persons who served on the Indian frontier who received the Victory medal and others who served in other sections, especially the Afghanistan frontier who did not. There is only a small number now. It is impossible to grant the Victory medal now, but it may be possible to accept the Afghanistan medal in lieu of the Victory medal for the small number of cases concerned.

Mr. ANDERSON: I think it should be pointed out that in so far as pension entitlement is concerned the prime requirement is that they shall have been domiciled or resident in Canada prior to a certain date of the outbreak of the war. So far as I am aware this group would not qualify for pensions anyway.

Mr. SMITH (*Lincoln*): Under the veterans allowance?

The CHAIRMAN: The veterans allowance is not being discussed at this point. We can go into that on the estimates.

Mr. HERRIDGE: We brought it up because we were fortunate in having Mr. Harvey as a witness.

The CHAIRMAN: I think we have brought that out pretty well and he is going to supply information on it. We can go into it more fully on the estimates. We can now pass on to clause 12, which is an amendment of subsection (4) of section 65 of the act.

Mr. HERRIDGE: I should like to ask the chairman of the pension commission a question. I take it that this is purely a technical amendment? It is simply substituting "the Board of Pension Commissioners for Canada" for the word "Commission"?

Mr. ANDERSON: No, this is simply bringing back a provision which was formerly contained in this section because we have discovered that there are still some claims which were turned down under the old board of pension commissioners—which was the original board—that we are seeking to reopen. The term was taken out because it was thought there were no more cases involved. We are simply restoring the wording of the act to what it was previously.

The CHAIRMAN: That only leaves clause 13.

Mr. FORGIE: I should like to move an amendment, that clause 13 be amended by deleting the wording "the first day of the month next following the day on which this act is assented to," and substituting therefor the words, "January, 1961."

The CHAIRMAN: I was just wondering, Mr. Forgie, if this would be a good time to put in your motion. We would be able to consider it after we have heard the other delegation, but would it be better to put it in after hearing them? If you like to put it today, I expect it can go on record and we can consider it.

Mr. FORGIE: If you wish to postpone discussion on it, that would be all right with me.

The CHAIRMAN: Have you got your motion written out so that the reporter can have it?

Mr. H. F. JONES (*Parliamentary Secretary to the Minister of Veterans Affairs*): As this is a money bill, no motion can be put to increase the amount of expenditure. Motions, however, can be put to request the government to consider the advisability of doing so.

Mr. PETERS: The minister agreed that we could move this when I raised the matter in the house after the schlemozzle the other day.

Mr. JONES: I think amendments or suggestions for the consideration of the government can be put but, as a rule of procedure, an amendment increasing expenditure cannot be moved directly by anyone other than a member of the government.

The CHAIRMAN: I think it is fair to put the motion and reserve discussion on it until tomorrow. I do not think there would be anything wrong with this; if we want to recommend a change in this section we would not expect the government to accept it, if it is going to increase the cost. I do not think, Mr. Jones, I would rule it out of order at this time. It has been mentioned previously by Mr. Forgie. The amendment reads, that clause 13 be amended by deleting the words "of the month next following the day on which this act is assented to," and substituting therefor the words, "of January, 1961". I think we should postpone discussion on it. Are we all agreed on this?

Mr. HERRIDGE: Just before the amendment goes finally on the record I suggest that, in order to be completely in order, would the mover amend it to the effect that the government should give consideration to doing this?

Mr. FORGIE: I shall subscribe to that.

Mr. HERRIDGE: I think in the original instance the record should indicate the recommendation that the government give consideration to amending the section as follows and, Mr. Chairman, I think your suggestion that we postpone consideration of it until after we have heard all the representations is a very valid one.

The CHAIRMAN: The amendment now reads:

This committee recommends that the government give consideration to the amendment of clause 13 by deleting the words "of the month next following the day on which this act is assented to" and substituting therefor the words, "of January, 1961."

It can now go on the record.

Mr. McINTOSH: At this stage, may I ask what part of the act refers to the 365 days residence in the United Kingdom during the first world war?

Mr. ANDERSON: That is the war veterans allowance act, not the Pensions Act.

The CHAIRMAN: We have now gone over the clauses. Tomorrow morning, at 10.30 a.m., we shall be hearing from the Canadian Council of War Veterans Associations, whose brief we distributed this morning. If I remember correctly, I think they have indicated that they only wish to discuss generally one particular section of the amendments. After we have finished with them I think we should start with clause 1, go through the bill and, if we have amendments, bring them in as we go along for our report. As I understand it, we have not approved of any clauses so far. If I am wrong, I should like to be corrected. After we have finished hearing the delegation tomorrow we can then start with clause 1 and approve each clause as we go along and, if we wish to make an amendment, we can work it out and maybe we shall get in our report, if not tomorrow maybe on Wednesday morning, in order to complete it and get it back to the house, if possible, on Wednesday. It may be, however, that we cannot do that.

Mr. THOMAS: As a matter of information, is it the intention of the committee to consider its report in camera?

The CHAIRMAN: Yes.

Mr. THOMAS: Then what about discussion on this proposed amendment? Would that come in camera, or not?

Mr. HERRIDGE: I think the usual procedure is to discuss amendments to the bill in open committee, but the committee discusses its proposed report in camera.

The CHAIRMAN: So, tomorrow, in open committee, if anyone has an amendment, that is the time to have it discussed; and I should like to have proposed amendments in writing. I would advise members to do their homework and have amendments in writing to put before the committee. If an amendment is voted down, that is the end of it. Then, after we have approved of all the sections, and the title, we shall either appoint a subcommittee or we shall all get together in camera and make up our report. Is that clear? We stand adjourned now until tomorrow morning at 10:30 a.m.

APPENDIX "A"

(The following table was submitted by the Dominion Command of the Canadian Legion at the request of the Committee, on motion by Mr. Benidickson.)

A REVIEW OF DISABILITY PENSIONS AND OTHER
RELATED RATES—W.W. I to 1961

	1920	1939	1947	1951	1956	1957	1960	1961
	\$	\$	\$	\$	\$	\$	\$	\$
Disability Pensions (100%)								
Single Pensioner.....	900	900	1,128	1,500	1,500	1,800	1,800	2,160
Married Pensioner.....	1,200	1,200	1,500	2,040	2,040	2,400	2,400	2,880
Widow.....	720	720	900	1,200	1,200	1,380	1,380	1,656
Army Pay and Subsistence (Private Soldier) Initial								
Single.....	930.75	785.75	1,344	1,776	1,932	1,980	2,076	2,076
Married.....	1,130.75	1,204.75	1,584	2,136	2,652	2,700	2,856	2,856

The figures for 1957, 1960 and 1961 are those paid a recruit on enlistment. After training his pay increases as follows:—

After 1 year.....	\$ 84.00 per annum over basic rate
After 3 years.....	552.00 per annum over basic rate
After 6 years.....	816.00 per annum over basic rate

Included is subsistence, but we do not include any of the four additional trade groups.

	1920	1939	1947	1951	1956	1957	1960	1961
	\$	\$	\$	\$	\$	\$	\$	\$
Civil Service Pay								
Customs Guard (Max.).....	1,260	1,500	1,980	2,700	3,210	3,360	3,540	3,540
Cleaner and Helper.....	900	1,140	1,620	2,400	2,760	2,910	3,300	3,300

	1920	1939	1947	1951	1956	1957	1959
Wage Index							
Industrial Composite—(1949 = 100)...	52.3	48.9	84.1	119.5	149.4	158.1	171.0

NOTE: The figures shown for disability pensions for 1961 are those proposed under Bill C-67.

HOUSE OF COMMONS
Fourth Session—Twenty-fourth Parliament
1960-61

STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, FEBRUARY 21, 1961

BILL C-67, AN ACT TO AMEND THE PENSION ACT

WITNESSES:

Mr. L. Lalonde, Deputy Minister of Veterans Affairs; Mr. T. D. Anderson, Chairman of the *Canadian Pension Commission*; Mr. N. Hooper, Veterans Affairs Officer of the *Canadian Council of War Veterans Associations*; Mr. J. A. Small, Executive Secretary of the *Canadian Council of War Veterans Associations*; Mr. H. R. Magill, of the *Canadian Overseas Fire Fighters*.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai,
Batten,
Beech,
Benidickson,
Broome,
Cardin,
Carter,
Clancy,
Denis,
Fane,
Forgie,
Fortin,
Herridge,
Jones,

Jung,
Kennedy,
LaMarsh (Miss),
Lennard,
MacEwan,
MacRae,
Matthews,
McIntosh,
McWilliam,
Montgomery,
O'Leary,
Ormiston,
Parizeau,
Peters,

Pugh,
Roberge,
Robinson,
Rogers,
Smith (*Lincoln*),
Speakman,
Stearns,
Stewart,
Thomas,
Webster,
Weichel,
Winkler—40.

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, February 21, 1961.

(6)

The Standing Committee on Veterans Affairs met this day at 10.35 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Badanai, Batten, Beech, Clancy, Fane, Forgie, Herridge, Kennedy, Lennard, MacEwan, MacRae, Matthews, McIntosh, McWilliam, Montgomery, O'Leary, Parizeau, Peters, Roberge, Robinson, Rogers, Smith (*Lincoln*), Speakman, Stearns, Stewart, Webster, Winkler—27.

In attendance: Mr. L. Lalonde, Deputy Minister of Veterans Affairs; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission; Mr. N. Hooper, Veterans Affairs Officer of the Canadian Council of War Veterans Associations; Mr. J. A. Small, Executive Secretary of the Canadian Council of War Veterans Associations; Mr. H. R. Magill, from the Canadian Overseas Fire Fighters.

The Chairman welcomed the delegation from the Canadian Council of War Veterans Associations, and asked Mr. Hooper to introduce his colleagues to the Committee. Mr. Hooper introduced Mr. J. A. Small and Mr. H. R. Magill, after which he read in part the brief presented by his Association and was questioned thereon.

The Chairman thanked the members of the delegation for their assistance in the consideration of Bill C-67 and expressed the hope that they would return before the Committee at a later date, when the Departmental Estimates will be considered.

Mr. Anderson then answered some questions on the annuities granted for gallantry awards and other matters.

Mr. Lalonde was asked to comment on the negotiations entered into by Canadian and British authorities with respect to gallantry awards. Mr. Lalonde explained that a report had been prepared by his Department and was now being considered by the Minister of Veterans Affairs.

The Chairman then stated that there remained to be heard a delegation from the National Council of Veteran Associations in Canada, which he expected to be in Ottawa by tomorrow.

At 11.00 o'clock a.m. the Committee adjourned until Thursday, February 23, at 10.30 o'clock a.m.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

TUESDAY, February 21, 1961.
10.30 a.m.

The CHAIRMAN: The committee will come to order, now that we have a quorum. This morning we have a delegation from the Canadian Council of War Veterans' Associations represented by Mr. Hooper, Mr. Small and Mr. Magill. Mr. Hooper, if you will come up beside me your colleagues can sit behind. We are pleased to have these gentlemen with us this morning and now I am going to introduce Mr. Hooper and ask him to introduce his two associates. We shall then hear that part of their brief dealing with our amendments, which is section 8 of the brief, and then members may ask questions. If the other two gentlemen wish to add anything to the brief, we shall be pleased to hear them also.

Mr. NORMAN HOOPER (*Veterans Affairs Officer, Canadian Council of War Veterans Associations*): Mr. Chairman and gentlemen, I shall introduce first Mr. Jack Small, the executive secretary of the Canadian Council of War Veterans' Associations and then Mr. Herbert Magill, representative of the Canadian Overseas Fire Fighters. At this stage I believe I should interject a statement to the effect that on the cover of our brief you will see that one of our functions is the sponsoring of Camp Maple Leaf, and this demonstrates that we deal with matters other than veterans affairs. At this camp we charge absolutely nothing to the children attending it and cover all their medical expenses, and these children may not necessarily be the children of veterans. That, as I say, is one of our functions, but we have felt in view of pressure put on us by various veterans organizations—not only those listed on the first page of our brief but other organizations as well—we should introduce other matters which I hope will be dealt with at a later time. Now, however, I have been asked to stick to recommendation number 8 for the purposes of the committee meeting this morning.

I am quite aware of the fact that this problem has been, more or less, a bugbear to many members of the allied forces, particularly our counterparts in the United Kingdom, and we are asking that some legislation be adopted whereby these men, having served in the allied forces, be granted the facility of review, in other words, re-board, and that they, in turn, receive the same rate of pension as a Canadian ex-serviceman. We ask that for the simple reason we believe, as stated in our brief, that there is provision made under the Veterans Allowances Act whereby these men receive certain assistance by virtue of being in Canada for a certain number of years. We also believe that the same provision should apply to a man with a disability pension.

There is not too much else to be said, apart from the fact that we are quite aware in our council of the amount of paper work involved in the provision of treatment for allied ex-servicemen in our departmental hospitals. We have been told that in some cases a veteran from the United Kingdom will be admitted to a departmental hospital under a classification covering him for a specific reason. He is, in other words, pensionable. Then he may be released from the departmental hospital and sometimes within six months of his release is re-admitted on the basis of his previous treatment. It may then happen that the department—meaning the dominion government—makes recommendations and requests to the British government, but is told the man has outlived his disability. This type of thing is quite rampant, particularly in Toronto.

That is the basis of our recommendation. These men are now Canadians. They are paying taxes. In other words, they are abiding by the laws of our country and we respectfully submit that they be classed as Canadians for the purposes of pension, brought under the same act and receive the same pension as is granted to a Canadian war disability case.

The CHAIRMAN: Mr. Small, have you anything you wish to add?

MR. J. A. SMALL (*Executive Secretary, Canadian Council of War Veterans Associations*): No sir, I have not.

The CHAIRMAN: Mr. Magill?

MR. H. R. MAGILL (*Representative of the Canadian Overseas Fire Fighters*): I have nothing to add.

The CHAIRMAN: Gentlemen, have you any questions? This really comes under section 52, that part of the act dealing with benefits to persons who served in allied forces and who are now domiciled in Canada. Mr. Hooper, have you any idea of the number of these people who were not Canadian citizens at the time they went into the service and who would now benefit?

MR. HOOPER: I estimate that they are actually in the thousands because, if innumerable cases are recorded in one hospital. I am sure the same would apply across Canada. I say that also because of the fact that there has been a tremendous number of men arriving in this country from the United Kingdom. Some of those may have returned but, in the long run, we feel there is a tremendous number who would be affected by a change in legislation here, not only affected but made more secure.

May I give an illustration? I was talking to two men the other day who had closely related disabilities. The Canadian veteran told me he was receiving \$375 a month and the English ex-soldier said he only received a pension of approximately £2-16s-4d a month and yet this man owned property in Canada, was rearing a family, and, as I said, had a related disability to his counterpart, the Canadian.

MR. FANE: May I ask, Mr. Hooper, did the veteran of the imperial army not receive a gratuity on receiving his disability? I assume he got what used to be called "blood money". Is that taken into consideration?

MR. HOOPER: We have taken that into consideration, but we feel "blood money" is only blood money at the time whereas, as the years go on, this man is bringing up children and his pension is only going so far. Our chief factor in submitting this recommendation is to make it easier for these men to receive treatment in our departmental hospitals without the necessity of going back to collect from the British government for their care in our institutions.

MR. HERRIDGE: I am very interested in the format of your organization. Would the witness tell the committee when it was first formed, and also what is its basis? There are industrial firms mentioned on the first page of the brief. Could you give us some idea about them?

MR. HOOPER: As pointed out at the beginning, I do not know how far I may go with that. As I said, initially our purpose had been to look after underprivileged children. Our council was formed on that basis and in turn we created Camp Maple Leaf, which is north of Peterborough, and is some 104 acres in extent. At the beginning our organization was known as the Canadian Council of Industrial Organizations but, due to our work in an expanding field dealing not only with children but with veterans, we were asked to delete the word "industrial", so that we could welcome within our ranks associations other than industrial organizations. In Toronto we have the Toronto fire department, the dominion civil service, which is not industrial, and then, of course, we have the war veterans. That, in brief, is the reason for our format,—so that we can embrace more veterans organizations; and I can tell the committee that at the present time there are many other organizations applying for mem-

bership, at least three of which are not industrial. By changing our name we have been able to broaden our scope, not only on behalf of war veterans but on behalf of underprivileged children.

Mr. HERRIDGE: Does this mean that there is a branch of each of these organizations in your organization?

Mr. HOOPER: It means that we have a veterans organization within each particular association. To sit on our committee, each representative must be a recognized and paidup member of a veterans organization.

Mr. LENNARD: Mr. Chairman, are these industrial organizations or war veterans organizations?

Mr. HOOPER: They are war veterans associations, sir.

Mr. FANE: Might I ask Mr. Hooper again—these are people who were not resident in Canada at the time of the start of the second war?

Mr. HOOPER: You are referring, again, to section 8?

Mr. FANE: Yes.

Mr. HOOPER: That is correct. They are the men we are primarily interested in at this time.

Mr. FANE: They were not resident in Canada at the start of the war?

Mr. HOOPER: We found some have been. In other words, they were Canadians. There were not many of them: they left this country and joined the English army and then later returned to Canada and they are in the same category.

Mr. BEECH: Are you only speaking of the British allies?

Mr. HOOPER: Yes. We did not want to be too general. We did not believe the committee would stop at that. We felt it would embrace all allied services, not necessarily just the United Kingdom; and that is the reason we put in the brief that it would be by review or, as we would state, a re-board.

Mr. HERRIDGE: You are asking in effect, then, for the Canadian government to assume the responsibility for pensions and treatment for these veterans who have either returned or come to Canada since the end of the first world war and are now Canadian citizens?

Mr. HOOPER: That is right, sir. That is the sum and substance of the whole thing.

The CHAIRMAN: Any further questions?

Mr. STEARNS: Mr. Chairman, are these gentlemen coming back when the estimates are being heard?

The CHAIRMAN: That is right. The other phases of the act, the war veterans allowances and all those things—anything outside of the amendments.

Mr. HERRIDGE: A good number of these men, I presume, would have the financial disability to qualify for war veterans allowances?

Mr. HOOPER: I would say the first war men do, yes.

Mr. CLANCY: Did I understand you to say that Canadians serving with the British forces were not eligible for Canadian grants and pensions?

Mr. HOOPER: No, sir, I did not say that. I am just asking that they be placed on the same level as the Canadian soldier.

Mr. HERRIDGE: I think you mentioned that some are Canadians who left Canada and returned, but I think the point is these were not domiciled in Canada at the outbreak of war?

Mr. HOOPER: That is right. There are two categories there.

The CHAIRMAN: Any further questions? Have you anything else you wish to add in connection with this, Mr. Hooper? We will let you know when we meet for the estimates.

Mr. HOOPER: I presume we have more or less presented our point, but I can assure you on behalf of the council that whilst other organizations have been here before and I have been here on various committees myself, it is always a privilege to feel that as veterans we have still within us this feeling of being allowed to express ourselves and to feel that we are part of you, even though we come from the rank and file; and we have been given the privilege—

Mr. HERRIDGE: So do we.

Mr. HOOPER: —of representing those various veterans organizations. We feel it is a democratic way of doing it, and sincerely thank you for the opportunity of being here today.

Mr. FANE: Could we ask Mr. Anderson to comment on this particular section 10?

The CHAIRMAN: If you have a question, Mr. Fane.

Mr. FANE: Would it be fair to ask him now, or could we ask him later?

The CHAIRMAN: You ask him and I think Mr. Anderson can decide.

Mr. FANE: Can you give us any information about section 10?

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): As you know, this involves a good deal more than just pensions. The question is, are these people to be provided with all the benefits given Canadians who served in the Canadian forces? I think we have gone a long way in so far as the people who were domiciled in Canada prior to the outbreak of either world war I or world war II are concerned. Now, with clause 10 of this bill we are giving veterans the opportunity to come directly to us and make an application for pension, if they have been rejected by the government of the allied force in which they served during wartime.

Now, of course, whether or not parliament wants to go beyond that and provide to any veteran who served in an allied force, and who subsequently came to live in Canada, all the benefits provided to Canadian veterans, including pension rights, and so on, is a matter of very high policy on which I would not care to comment; but that is what is involved, really. It would mean that from now on any man who migrated to this country and was a veteran of an allied force during either world war I or world war II would be entitled to all additional benefits.

The CHAIRMAN: Mr. Anderson, might I ask this question: Do you know any other country among the allies that is giving Canadians that same benefit?

Mr. ANDERSON: No, I do not think there is one, Mr. Chairman. There is another question, Mr. Chairman, that I am not clear about, and that is, is it intended that the veteran of an allied force in world war I would, when he arrives in Canada, be given the benefits available to veterans of world war II, or what is the proposal there? I am not clear on that. You see, even the world war I veteran who has lived in Canada all his life does not get the benefits that the world war II veteran received.

The CHAIRMAN: Do you wish to comment on that, Mr. Hooper?

Mr. HOOPER: Well, as I say, we are presenting this as food for thought, and we have stated a period of being in Canada, living here under certain conditions. So therefore it would not be for us as a council to recommend that the government set any policy. We only wish to give you something to think about, so that when they did see their way to bring such a bill forward, they in turn would create the various parts of the act which in turn would be done to suit themselves.

It might not necessarily embrace the first world war veterans; it might only embrace those who served in the second world war. In other words, we would not attempt to dictate any policy. We would ask that you accept it on

the basis pointed out by Mr. Anderson, that it has a far-reaching effect. There are many people who do not agree with it in its entirety, but it is something to get your teeth into and that is what we are asking.

The CHAIRMAN: Well, thank you very much, Mr. Hooper. Thank you for coming and giving us the benefit of your thoughts on this matter, and we hope to see you back when the estimates are up.

Mr. HOOPER: Thank you, sir.

The CHAIRMAN: Gentlemen, we still have one other organization to hear from, the National Council of War Veterans Associations. I was in touch with Mr. Baker yesterday, and with the Ottawa man, Mr. Nevin. They are going to submit in writing a short brief on the amendment now, and we are to read it into the proceedings. It has not arrived. It may be here tomorrow and may not get here until tomorrow night. I do not see that there is very much more we have to do now, until we have their brief and we read it into the proceedings, and then we are ready to make up our report.

So unless someone has a question to ask Mr. Anderson—

Mr. FORGIE: I had a question at the last meeting of the dominion secretary as to the information he received from the former minister of veterans affairs as to the government's intention in connection with bringing legislation before parliament during the 1960 session. Is that information is available?

The CHAIRMAN: Who did you ask, Mr. Forgie?

Mr. FORGIE: Mr. Thompson.

The CHAIRMAN: I do not quite understand. Mr. Thompson, do you understand the question?

Mr. D. M. THOMPSON (*Dominion Secretary of the Canadian Legion*): Mr. Chairman, I understood the question at the time, but the impression I had was that it was disposed of at the time, and I made no attempt whatever to check back on the question.

The CHAIRMAN: I think if I remember you wanted to know what date.

Mr. FORGIE: That is right. That has not been disposed of because I do not know the date.

The CHAIRMAN: I do not know whether anybody would know that. Maybe we can furnish it to you a bit later, Mr. Forgie.

Mr. FORGIE: That will be fine.

Mr. ANDERSON: Mr. Chairman, there was a question asked at the previous sitting of the committee, I think the last sitting last week, with reference to gallantry awards. You will recall the question of what annuities are paid in the cases of gallantry awards to world war II veterans. I have the figures now and can put them on the record, if that meets with your approval, Mr. Chairman.

The CHAIRMAN: That would be agreed?

Some hon. MEMBERS: Agreed.

Mr. ANDERSON: As you know, world war II V.C. recipients were recently awarded a \$300 annuity. That went into effect on April 1, 1960. Also, if the recipient is awarded a disability pension, service pension or war veterans allowance, he receives in addition to the annuity 12½ cents per diem.

The C.G.M. Chief petty officers and petty officers, receive an annuity of \$100, lower ratings a \$100 gratuity with corresponding additions for each bar. If a recipient is awarded a disability pension, service pension or war veterans allowance, he receives 12½ cents per diem in lieu of gratuity. That is, he does not get both; he gets the 12½ cents per diem in lieu of the gratuity.

Army and air force recipients receive no gratuity payable if the award was earned while the recipient held commissioned rank. They only get the gratuity if they received it while in the ranks.

The M.C., D.F.C., D.C.M., D.S.M., M.M. and D.F.M. \$100 gratuity, with corresponding additions for each bar. Again, if the recipient is awarded a disability pension, service pension or war veterans' allowance, he receives 12½ cents per diem in lieu of the gratuity.

World War I. Pecuniary benefits in respect of world war I gallantry awards were the responsibility of the United Kingdom. The Canadian government took no responsibility for them and they are the same as those shown above, with the exception that for naval recipients of the V.C. there was no provision for the sixpence a day addition to pensions and no monetary grants attached to the distinguished service medal and the military medal. I think that completes the story.

Mr. McINTOSH: I was informed that there were negotiations going on between the Canadian government and the United Kingdom government in regard to world war I recipients of these gallantry awards. This was two years ago, and I think the deputy minister told us that he had hoped that within one year these would be completed.

Has anything happened between that date and this, or is it something that is going to be shoved aside?

The CHAIRMAN: Would the deputy minister have anything to say about that?

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Chairman, I recall two years ago, after our return from a trip overseas with the minister of the time, I informed the committee that the minister had spoken to his opposite number in the United Kingdom government. Since then there has been an exchange of correspondence with the United Kingdom government. There has been a study made of the implications, both political and financial, and a report given to the new minister, and the new minister has this under consideration at the moment.

Mr. McINTOSH: Could I ask you, Mr. Lalonde, how many bodies are involved?

Mr. LALONDE: As far as the military medal in world war I is concerned, I think it is between 10,000 and 12,000.

Mr. McINTOSH: Still alive?

Mr. LALONDE: No, recipients. We do not know how many are still alive.

The CHAIRMAN: Any further questions?

Mr. McINTOSH: Speaking on this, would it be in order for this committee to make a recommendation that they be paid the same as world war II?

The CHAIRMAN: Not at this time.

Mr. McINTOSH: This would not have to be included in this bill?

The CHAIRMAN: I do not think so.

Mr. ANDERSON: No, Mr. Chairman, it has nothing to do with the Pension Act. It is done by a special order in council.

The CHAIRMAN: It is a matter that perhaps you might wish to go into when the estimates are up, Mr. McIntosh.

Mr. McINTOSH: I do.

The CHAIRMAN: You can do that.

Mr. HERRIDGE: I just wanted to ask, before the estimates are considered by this committee, if all these organizations, including the national council, will get adequate notice?

The CHAIRMAN: We hope so.

Mr. HERRIDGE: Does that mean, also, before the estimates are heard there will have to be new terms of reference?

The CHAIRMAN: Well, it has to be referred to us. There will not be any new terms of reference, at least I do not think so. I will have to find that out. The estimates will have to be referred to us.

Mr. LENNARD: Speak up; you are holding a confidential conversation.

The CHAIRMAN: He was asking me a private, confidential question. If you want to know what it was, we will tell you.

Mr. HERRIDGE: I was asking if the committee would require new terms of reference when the estimates are referred to it.

Mr. LENNARD: What is confidential about that?

The CHAIRMAN: We do not know whether they will be referred, but we are hoping they will be. I put it that way. If there are no further questions, after the brief comes in from the National Council of War Veterans Associations, could we meet tomorrow afternoon at, say, four o'clock? Is there any objection to that, or could we meet Thursday morning? I hope it will be here by Thursday morning.

Thursday morning, agreed?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Ten o'clock or 10.30?

Some hon. MEMBERS: Ten thirty.

The CHAIRMAN: All right, 10.30 Thursday morning.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

FEBRUARY 23, 1961

BILL C-67, AN ACT TO AMEND THE PENSION ACT
INCLUDING THIRD REPORT TO THE HOUSE

WITNESS:

Mr. T. D. Anderson, Chairman of the *Canadian Pension Commission*.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Jung	Pugh
Batten	Kennedy	Roberge
Beech	LaMarsh, Miss	Robinson
Benidickson	Lennard	Rogers
Broome	MacEwan	Smith (<i>Lincoln</i>)
Cardin	MacRae	Speakman
Carter	Matthews	Stearns
Clancy	McIntosh	Stewart
Denis	McWilliam	Thomas
Fane	Montgomery	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler.
Herridge	Parizeau	
Jones	Peters	

R. L. Boivin,
Clerk of the Committee.

REPORT TO THE HOUSE

FRIDAY, February 24, 1961.

The Standing Committee on Veterans Affairs has the honour to present its

THIRD REPORT

Your Committee has considered Bill C-67, An Act to amend the Pension Act, and has agreed to report it without amendment.

During the course of its deliberations, your Committee approved the submission of the following recommendations to the House:

1. On Clause 8 of the Bill, your Committee noted that for the dependent parents who come under Section 38 (2) of the Pension Act the increase is of the order of 12½ per cent whereas in the other provisions of Bill C-67 the increase is of the order of 20 per cent. In view of this apparent discrepancy, your Committee recommends that the Government consider the advisability of applying to Clause 8 the same rate of increase as is applied to the other provisions of the Bill.

2. On Clause 13 of the Bill, your Committee is very much concerned with the fact that March 1, 1961, should be the first day on which the new pension rates will go into effect. Your Committee therefore strongly urges that the Government ensure that March 1, 1961, be the effective date of the new pension rates.

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, February 23, 1961.

(7)

The Standing Committee on Veterans Affairs met this day at 10.30 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Badanai, Benidickson, Carter, Clancy, Fane, Fortin, Herridge, Kennedy, Lennard, MacRae, Matthews, McIntosh, McWilliam, Montgomery, Ormiston, Parizeau, Roberge, Robinson, Speakman, Stearns, Stewart, Thomas and Winkler—(23).

In attendance: Mr. T. D. Anderson, Chairman, of the *Canadian Pension Commission*; Dr. P. M. Ollivier, Law Clerk of the House.

The Chairman summarized the contents of a letter that he had received from the National Council of Veteran Associations in Canada in relation to Bill C-67, An Act to amend the Pension Act.

On motion of Mr. Speakman, seconded by Mr. Stewart and Mr. MacRae,

Resolved,—That the letter be included in the Evidence.—*Carried unanimously.*

The Chairman then thanked all delegations who had helped the Committee in the consideration of Bill C-67, either by being heard or by submitting documents to the Committee, and in particular, the *Canadian Legion*, the *War Amputations of Canada*, the *Canadian Council of War Veterans Associations*, and the *National Council of Veteran Associations in Canada*, as well as the Minister and officers of the Department of Veterans Affairs.

The Chairman then called Bill C-67, An Act to amend the Pension Act.

Clauses 1, 2, 3, 4, 5, 6 and 7 were called, and adopted.

Clause 8 was called and adopted subject to a recommendation being presented to the House.

Clauses 9, 10, 11 and 12 were called and adopted.

On Clause 13. Moved by Mr. Forgie, seconded by Mr. Herridge,

Resolved,—This Committee recommends that the Government give consideration to the advisability of amending Clause 13 by deleting the words "of the month next following the day on which this Act is assented to" and substituting therefor the words "of January, 1961".

The Chairman then stated that, for technical reasons, it might be better to re-word the motion, and the Committee agreed to re-word the motion as follows:

Resolved,—This Committee recommends that the Government give consideration to the advisability of amending Clause 13 by deleting the words "in respect of any period before the first day of the month next following the day on which this Act is assented to" and substituting therefor the words "in respect of any period before the first day of January, 1961".

The Resolution was resolved in the negative—YEAS: 7; NAYS: 11.

A recorded vote being requested, the Clerk called the names:

Yeas—Messrs. Badanai, Benidickson, Carter, Herridge, Lennard, McWilliam, Roberge, 7.

Nays—Messrs. Clancy, Fane, Kennedy, MacRae, Matthews, McIntosh, Ormiston, Parizeau, Robinson, Speakman, Stearns, Stewart, Thomas, Winkler, 14.

The Chairman declared the motion lost.

Clause 13, the Preamble and the Title of the Bill were adopted severally, and the Committee directed the Chairman to report the Bill without amendment.

Thereupon, the Committee proceeded, *in camera*, to consider its Report to the House.

At 11.30 o'clock a.m. the Committee adjourned until 4.30 o'clock this day.

AFTERNOON SITTING

(8)

The Committee reconvened at 4.45 o'clock p.m., *in camera*. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Badanai, Carter, Clancy, Fane, Jones, Kennedy, McIntosh, Montgomery, O'Leary, Ormiston, Parizeau, Robinson, Rogers, Speakman, Stearns, Thomas—(16).

The Chairman read the report of the Steering Committee, as follows:

"THURSDAY, February 23, 1961.

(4)

Your Subcommittee has considered a draft report and recommends its adoption for presentation to the House.

DRAFT REPORT

The Standing Committee on Veterans Affairs has the honour to present its

THIRD REPORT

Your Committee has considered Bill C-67, An Act to amend the Pension Act, and has agreed to report it without amendment.

During the course of its deliberations, your Committee approved the submission of the following recommendations to the House:

1. On Clause 8 of the Bill, your Committee noted that for the dependent parents who come under Section 38(2) of the Pension Act the increase is of the order of 12½ per cent whereas in the other provisions of Bill C-67 the increase is of the order of 20 per cent. In view of this apparent discrepancy, your Committee recommends that the Government consider the advisability of applying to Clause 8 the same rate of increase as is applied to the other provisions of the Bill.

2. On Clause 13 of the Bill, your Committee is very much concerned with the fact that March 1, 1961, should be the first day on which the new pension

rates will go into effect. Your Committee therefore strongly urges that the Government ensure that March 1, 1961, be the effective date of the new pension rates.

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman."

Moved by Mr. Carter, seconded by Mr. Thomas,

Resolved,—That the Report be accepted and adopted.—Carried unanimously.

At 5.00 o'clock p.m., the Committee adjourned to the call of the Chair.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, February 23, 1961.

The CHAIRMAN: Now that we have a quorum, the meeting can open. The first business we have to deal with this morning is a letter, directed to me, from the National Council of Veteran Associations in Canada. It is signed by Mr. E. A. Baker, Chairman, and the request they make is a recommendation that the basic rate of pension be increased from \$1800 per annum to \$2,400 per annum. All the rest of the letter has to deal with percentages, most of which were in the brief from the amps. If members want me to read the whole letter I shall do so but, as this is the only recommendation it contains, I was thinking that possibly a quicker way to deal with it would be to have a motion to have it inserted in the report of our proceedings.

Mr. SPEAKMAN: I so move.

Mr. STEWART: And I second that.

The CHAIRMAN: It is moved by Mr. Speakman, seconded by Mr. Stewart and Mr. MacRae, that the letter be inserted in the proceedings of today at this point.

Mr. THOMAS: Do we have to deal with that letter now?

The CHAIRMAN: If there are any questions to be raised on it. There is only one recommendation contained in it. The rest deals with percentages and I think that matter has been pretty well covered.

Mr. THOMAS: If we have to deal with it I think we should have it read.

Mr. HERRIDGE: We have now passed a motion to have it incorporated in the record. Do we want to do both things?

The CHAIRMAN: I have not put the motion.

Mr. THOMAS: If we do not have it read—

The CHAIRMAN: There is only one recommendation in it which is open to discussion, Mr. Thomas, and that is the recommendation to increase the basic pension rate from \$1,800 per annum to \$2,400 per annum.

Mr. SPEAKMAN: That is simple enough.

The CHAIRMAN: Will those in favour of having it printed in the report please put up their hands.

It is unanimously agreed that we have it printed in the report.

(NOTE: The letter is as follows:)

FEBRUARY 21, 1961.

Mr. G. W. Montgomery,
Chairman, Standing Committee on Veterans Affairs,
House of Commons, Ottawa, Canada.

Dear Mr. Chairman and Members:

It has been customary for our National Council of Veteran Associations to attend sessions of the committee dealing with federal government provisions affecting pensions and allied matters. We do not restrict our member organizations from making individual representations should they for any reason so desire. Our member organizations are as listed on this letterhead, together with the Hong Kong Veterans Association.

In view of the fact that present consideration is limited to items covered by bill C-67, an act to amend the Pensions Act, we are submitting herewith our comment at this time.

Recommendation—That the basic rate of pension be increased from \$1800 per annum to \$2400 per annum.

Comment—The following table, previously expressed to the honourable the minister, confirms our contention that the gap has widened in comparison with the average wage from the 1947 and 1951 levels. In 1939 when the average wage was \$1220, the basic rate was \$900 or 74 per cent of the average wage.

In 1947; when the average wage was \$1880, the basic rate was raised to \$1128 or 60 per cent of the average (effective October 1st, 1947). In 1951 when the average wage was \$2480, the basic rate was raised to \$1500 or 60.5 per cent of the average wage (effective January 1st, 1952).

In 1957 when the average wage was \$3520, the basic rate was raised to \$1800 or 51 per cent of the average wage (effective July 1st, 1957). Now, with the average wage at \$3931, we are asking for a basic rate of \$2400 or 61 per cent of the average wage. We would need a basic rate of \$2900 to equal our 1939 position. The increase allowed in 1957 indicated a substantial drop from the 1951 comparative level for the 100 per cent pensioner. The present provision in bill C-67 would still show a fairly substantial reduction from the 1947 and 1951 ratio levels.

The seriously war disabled are substantially limited, and in a great many of the more serious cases, wholly debarred from sharing in the present wage market, continuing to be seriously affected by the upward trend in living costs. The only course which the seriously disabled veteran can follow is to depend on Canada's recognition of his problems.

Yours respectfully,

E. A. Baker,
Chairman.

The CHAIRMAN: I think we are now ready to deal with the bill, section by section.

On clause 1—1957-58, C. 19, s. 25.

This clause has to do with schedules A and B. Does anyone wish to raise a question on it? If not, will clause 1 carry?

Clause 1 agreed to.

On clause 2—Where allowance assistance or relief in payment.

This has to do with the extension to the remainder of the month for paying pension to children who come of age.

Clause 2 agreed to.

Clauses 3 to 7, inclusive, agreed to.

On clause 8—Discretionary pension to parent in certain cases.

Mr. HERRIDGE: Is not this the section on which Mr. Jones was going to make a report to the committee?

The CHAIRMAN: I believe he went to the funeral of the Prime Minister's mother. He is not here and, when I talked to him before he left, I do not

think he had much to add to what we already know. This is a matter we might discuss when we are drawing up our report.

Mr. HERRIDGE: If we now carry this section we have assented to it as it stands and, when we come to draw up our report, we shall have completed our discussion as far as the clause itself is concerned. It was proposed by a good number of members on all sides of the committee that the amount should be increased proportionately.

The CHAIRMAN: Would you like to move that this section be reconsidered when we come to it *in camera*?

Mr. HERRIDGE: Stand, and be considered.

The CHAIRMAN: Can we "stand" it without having to come back and approve it?

Mr. SPEAKMAN: I would move that this be discussed *in camera* and be considered with our recommendations.

The CHAIRMAN: Can we pass it, subject to that?

Mr. SPEAKMAN: Subject to that.

The CHAIRMAN: Then clause 8 is passed, subject to any discussion we may have on it *in camera*. Is that agreed?

Clause 8 agreed to.

Clauses 9 to 12, inclusive, agreed to.

On clause 13—Commencement of payment of increase.

The CHAIRMAN: On this clause, there is a motion standing which was made by Mr. Forgie, seconded by Mr. Herridge.

Mr. BENIDICKSON: I was going to ask that the motion be read so that those members of the committee not present when it was advanced would know what it was about.

The CHAIRMAN: As recorded on page 99 of the proceedings of February 20, Mr. Forgie moved the following motion, seconded by Mr. Herridge.

This committee recommends that the government give consideration to an amendment of clause 13 by deleting the words "of the month next following the day on which this act is assented to" and substituting therefor the words, "of January, 1961."

I think I should tell the committee that Mr. Forgie came to me the other day and said he could not be here this morning. I think he spoke to Mr. Benidickson about it. Anyway, he said he would have someone else here to discuss it. He wanted to know if I could hold the meeting over until Monday, and I told him I did not think I could promise that unless the committee so ordered. I am sorry Mr. Forgie is not here but I think it is fair to say that his attitude on this is the stand taken by the Canadian Legion. I notice the motion he handed to me was taken out of the Canadian Legion brief. I am now ruling that the motion is in order. If anyone wishes to speak to this motion I shall be glad to hear him.

Mr. BENIDICKSON: You rule that the motion is in order?

The CHAIRMAN: Yes.

Mr. BENIDICKSON: Which would, in effect, amend the section?

Mr. HERRIDGE: It is a recommendation.

Mr. BENIDICKSON: This would be a recommendation from the committee to the house?

The CHAIRMAN: In effect, it is a recommendation that the committee could deal with in its report.

Mr. ROBERGE: I see Dr. Ollivier is here and I should like to address a question to him on his matter. Is a standing committee of the house, to which a bill like this one is referred, empowered to move a formal amendment to increase pensions, such as is done in this motion thereby unbalancing the budget?

Dr. P. M. OLLIVIER (*Law Clerk and Parliamentary Counsel*): My answer to that will be very short. You cannot move an amendment which would increase the expenditure, but in your report you can make a recommendation to the government that they consider amending the bill for that purpose. If any such recommendation passes, then it is open to the government to deal with it or not. If the government do accept it they have to bring in a money resolution in the house, recommended by the Governor General, and when that resolution is passed by the house then the minister moves that this resolution, which has been concurred in, be referred to the committee of the whole on the bill. That means that you will delay adoption of the bill until that resolution reaches the committee of the whole, and then the minister or someone else will move that the section be amended in consequence of your motion. It is up to the government to accept it or not.

Mr. ROBERGE: If the government accept this recommendation, we start this legislation all over again in the house, as a money bill?

Dr. OLLIVIER: Only for this amendment. There will be a resolution in the house that section 13 of the bill be amended—that will be your recommendation—and I shall write to His Excellency to get his recommendation for it and you will hold up the bill in the committee of the whole until that resolution is reached.

The CHAIRMAN: I feel the motion is in order because this is only a suggestion. It is not an amendment.

Dr. OLLIVIER: No, it does not force the government.

Mr. HERRIDGE: I support Mr. Forgie's motion, which is a recommendation in line with the representations of the Canadian Legion. I do so because these veterans and dependents have been expecting an increase in their disability pensions for a year and, in view of the expectations that were raised as a result of a public statement to the committee by the minister, the least we could do would be to accept the views of the Canadian Legion in making this recommendation—

The CHAIRMAN: Mr. Herridge, I do not believe I put this motion. I thought at the time that I did not put it to the committee.

Mr. HERRIDGE: I note that you read it.

The CHAIRMAN: I am sure it has not been put.

Mr. MACRAE: On a point of order, I think you will see that the motion was put at that point without discussion.

The CHAIRMAN: The report of the proceedings on February 20, states: "it can now go on the record". I do not see any note where I put the motion and asked for a vote. I shall put it now.

Mr. ROBERGE: On a point of order, Mr. Chairman—

Mr. HERRIDGE: May I continue, Mr. Chairman?

The CHAIRMAN: Yes, the motion is now considered to be before the meeting.

Mr. HERRIDGE: In conclusion, I was just going to say that if anyone presumes there might be some delay if the government accepted this resolution, in getting the resolution approved, I believe from experience there would, in

fact, be very little delay as a result of the resolution being made and introduced in committee. If there was a little delay in the government's implementing this legislation, that would be offset by the pension commencing as from January 1 this year. I hope this committee will support the motion before us.

The CHAIRMAN: Does anyone else have any comment?

Mr. BENIDICKSON: Mr. Chairman, I raised this point at the first meeting of this committee this year. Also I brought it up last year. The minutes will indicate that on April 7, 1960, I pointed out that the Minister of Veterans Affairs had indicated to the Canadian Legion that the Pension Act would be introduced and presumably it would involve changes upward of rates of pension and that this would be done last year rather than this year. The record at pages 131 and 132 of April 7, 1960, on this subject outlines the position I took then. I am not going to repeat it here.

The Legion has come before us, and in their brief, in respect of clause 13, they have said that this clause determines that the effective date of the increase shall be the first of the month next following royal assent to the passage of the bill. Their previous briefs have indicated that these increases are long overdue. I warned the committee I felt that, with drafting of this type in a bill of this kind, we were running a grave risk that the rates might not even become effective at the beginning of next month.

When this bill was advanced I do not know whether or not it was realized that February was a very short month, a month of 28 days. We are on the 23rd day of the month. I still think this section is unsatisfactory. First of all I assume that this committee has to have another meeting to prepare its report, and we are approaching another weekend. Then the bill has to go to the Senate. Then arrangements again have to be made for royal assent. I think this committee has been put in an undesirable position, as I said earlier, of having this gun over its head in so far as time is concerned when we read clause 13 of the bill.

I think the Legion has been modest in its recommendation with regard to a retroactive effect and having regard to this very important commitment, which I am sure was not given carelessly. However, a very important commitment was made by the Minister of Veteran Affairs to the effect that we would be dealing with this subject twelve months ago. The Legion indeed is very modest simply asking there be some assurance in the bill that the new increased rates would at least become effective on January 1 of 1961.

I agree wholeheartedly with Mr. Forgie that the report of this committee should include a recommendation of this kind. I am afraid that if this kind of a recommendation is not included in our report we will be running a grave risk we might come to the end of February and perhaps then, through parliamentary procedural delays, inevitably lose another month's pension.

The CHAIRMAN: Mr. Speakman is next.

Mr. SPEAKMAN: I would like to say I entirely disagree with Mr. Benidickson about this gun at our heads. I do not think this is right. I think it has been brought to us as soon as it has been possible to bring it. I also disagree with what Mr. Benidickson has asserted was said by the minister last year. Last year the minister said he hoped; he did not make it definite. He said he hoped the study could be completed so that legislation could come forward as quickly as possible. I cannot recall anywhere that he made a firm commitment.

So far as Mr. Herridge's minimum of delay is concerned, I do not think even Dr. Ollivier can give us this assurance. I think we should get to work on this bill and get it back to the house so that it can be passed.

Mr. BENIDICKSON: There is a suggestion that I have not been fair to the former minister. I simply want to draw to Mr. Speakman's attention that the

minister himself, when I raised this question last year, replied to me in this way. He said "That is a very fair question, Mr. Benidickson. I am well acquainted with the position that is outlined in the *Legionary* magazine". What I presented last year the minister said is very fair, when I quoted him as having made this suggestion.

The CHAIRMAN: Dr. Ollivier suggests the wording should be changed. This does not change the meaning of it. I will read the whole motion now as amended or in the words suggested by Dr. Ollivier:

Moved by Mr. Forgie, seconded by Mr. Herridge, that the committee recommend in its report that the government give consideration to amending clause 13 by deleting the words "in respect of any period before the first day of the month next following the day on which this act is assented to" and substituting therefor the words "in respect of any period before the first day of January, 1961".

Mr. CARTER: May I say a word or two on this. First of all I would like to apologize for coming in late. I had good intentions but was detained at the last minute. Secondly, my colleague, Mr. Batten, who is a member of this committee, has asked me to express his regret to the committee for his absence today, which was necessitated by reason of his being assigned to the interparliamentary meeting. This makes it impossible for him to be present, although I think this is where his heart is.

In respect of this amendment, I do not want to repeat what Mr. Benidickson already has said. I think there are three facts. The first is this legislation was mentioned in the speech from the throne, which was brought down in November. That was quite some time ago. The second fact is we are now getting perilously near the end of the month of February, and with the best of intentions things could happen to delay royal assent. That is a risk which I think should not be run. In the third place all this amendment does is to ask this committee to make a recommendation in view of the representations made by the Legion on this matter. In view of the speech from the throne and the veterans themselves anticipating that this would be retroactive to the first of January, I think it should be made retroactive. The fourth fact is that on previous occasions this has been done; we have made our legislation retroactive even more than the one month which we are asking now.

For these reasons, and because what we are asking is that a recommendation be made, I support this motion.

The CHAIRMAN: Will all those in favour of the motion please raise their hands. Seven.

Those opposed to the motion please raise their hands. Eleven.

I declare the motion lost.

Mr. BENIDICKSON: I ask that you poll the members of the committee on this vote.

The CHAIRMAN: I do not think we have any authority to poll the members of the committee now, the poll should be demanded before the vote.

An hon. MEMBER: It has been done before.

Mr. BENIDICKSON: It is a standard practice.

The CHAIRMAN: I rule against it. You may appeal my ruling.

Mr. BENIDICKSON: In the house when a member wishes a recorded vote he rises and makes that request.

The CHAIRMAN: Is it done in committee?

Mr. LENNARD: I have seen it done in this committee.

The CHAIRMAN: If the committee wants it you can have it. I ruled against it as request was after the vote. You can challenge my ruling.

Mr. LENNARD: It has been done before.

The CHAIRMAN: All those who wish that the committee be polled please raise their hands.

Mr. BENIDICKSON: Mr. Chairman, I object to that procedure. I suggest, as you have the experienced law officer of the House of Commons with you, that he might give you assistance in this matter. You will realize immediately that we never would have a recorded vote either in the House of Commons or in committee if the majority decided by vote whether or not we would have that kind of a vote.

The CHAIRMAN: It will not take very long to have it. Those in favour of the motion please stand and their names will be taken.

Mr. MCINTOSH: Mr. Chairman, for the benefit of myself and someone else who came in late could we have the motion read so that we know what we are voting on.

The CHAIRMAN: Surely.

Moved by Mr. Forgie, seconded by Mr. Herridge, that the committee recommend in its report that the government give consideration to amending clause 13 by deleting the words "in respect of any period before the first day of the month next following the day on which this act is assented to" and substituting therefor the words "in respect of any period before the first day of January, 1961".

The Clerk will read the names and I take it you will stand.

Mr. THOMAS: Mr. Chairman, before you proceed—

The CHAIRMAN: This is not debatable, Mr. Thomas.

Mr. THOMAS: But, Mr. Chairman, before we go on, do I understand that this committee is going to be polled at this time?

The CHAIRMAN: Yes.

Mr. THOMAS: You have accepted a statement from Mr. Benidickson in support of the polling of the committee.

The CHAIRMAN: Yes, on the advice of the law officer.

Mr. THOMAS: Then, may I have permission to make a statement against the polling of the committee?

The CHAIRMAN: I do not think you can do that.

Mr. THOMAS: Well, may I make a statement in regard to the polling of the committee?

The CHAIRMAN: Well, go ahead.

Mr. BENIDICKSON: Mr. Chairman, if Mr. Thomas raises a point of order he can speak at this time, but it will not be a statement.

Mr. CARTER: He should have the same right as those who spoke in favour of the poll.

Mr. THOMAS: May I say this: as long as I have been associated with this committee on veterans affairs this is the first occasion on which political partisanship has come into play.

The CHAIRMAN: Now, Mr. Thomas, I would prefer if you would not bring anything like that before this committee. Please make your statement without bringing politics into it.

Mr. THOMAS: I will be glad to make my statement without political bias. However, it is a fact that the members of the government are placed in an awkward position.

Mr. LENNARD: Not me.

Mr. THOMAS: The members of the government are placed in an awkward position for this reason. The members of the opposition have a right to do their job on this committee, as in all affairs connected with the administration of parliamentary business. They are doing their job and, were I a member of the opposition on this occasion, I probably would be moving and supporting a resolution that these payments be made retroactive to the first of 1960 or some date plenty far in the past.

The CHAIRMAN: If I may interrupt, Mr. Thomas, I thought your statement would be in connection with why we should not be polled, and I think you are getting pretty far afield.

Mr. THOMAS: I am trying to point out, Mr. Chairman, that this is putting certain members of the committee in a very awkward position.

The CHAIRMAN: Well, that is our responsibility.

An hon. MEMBER: That is the reason you are here.

The CHAIRMAN: Yes; that is why we are here.

Mr. THOMAS: Yes, and I am perfectly willing to accept my share of the responsibility. However, I am trying to point out that it is unfair to ask that the members of the committee be polled. We know that the report will go out, and that certain people will be accused of speaking against making these payments retroactive. At this time I wish to say that I am not speaking against these payments being made retroactive. I am in favour of these increases being made to the veterans pensions. I have worked for them consistently for many months, and I believe that the most expeditious way in having them brought in at the earliest moment is for this committee to support the government in the method which they have chosen to bring in these increases, thereby taking no chances for a further delay in the matter. Our best course is to follow along the lines which have been set by the government.

Mr. McINTOSH: On that point of order, Mr. Chairman, may I ask if we have permission to make it retroactive back to January 1—which I believe was the date?

Mr. BENIDICKSON: We are making only recommendations at this stage.

Mr. McINTOSH: Mr. Chairman, I would like to support Mr. Thomas on his statement. We are torn, as it were, between two choices, like a father with two sons. If a recommendation has been made by the cabinet, or by the minister, and apparently it has been, I submit that the government members have no other alternative than to support our government. But, on the other hand, we all are veterans; we know how much this means to them. I think that we are being put on the spot. But, as you have suggested, Mr. Chairman, it is our duty to vote. I think the veterans, who read these minutes, will understand our position in the matter.

The CHAIRMAN: Have you something to say, Mr. Roberge?

Mr. ROBERGE: Mr. Chairman, on this point of order, I might say that we are here as a standing committee of the house. Our responsibility is to study the bill and to make the best decision we can on it. The only power that we have is to recommend to the government. And now, it is up to the members, whether they are supporting the government or the opposition, to make their positions clear. After our position is made known to the house, it is up to the government to decide as to whether it implements the recommendations or not. Then, at that time, the members can vote for the government or against it. It is as simple as that.

Mr. WINKLER: Mr. Chairman, if I may speak in connection with this matter, I say it is utterly ridiculous. I am not going to dig up any old bones

for the sake of digging them up, but let us go back, for the sake of the support of this bill for the veterans of this country. Let us not in the future hear anything about this, but let us question those members who are proposing this resolution or recommendation on what they did for retroaction in 1957. Thank you.

Mr. HERRIDGE: Mr. Chairman, I am going to be quite in order. This motion to poll the committee is according to practice. It is strictly in accordance with the rules and, as a matter of fact, there should not have been any dispute on it whatsoever.

Mr. SPEAKMAN: On the same point of order, Mr. Chairman, may I say that everything that has been said this morning is in the record. I am going to support the government. However, the government is going to see the record of what has taken place this morning, and if they feel they can amend the bill they will do so. I might say that I have a clear conscience.

The CHAIRMAN: May we proceed to poll the members.

THE CLERK OF THE COMMITTEE: Mr. Badanai?

Mr. BADANAI: Yes.

THE CLERK OF THE COMMITTEE: Mr. Batten? (no response)

THE CLERK OF THE COMMITTEE: Mr. Beech? (no response)

THE CLERK OF THE COMMITTEE: Mr. Benidickson?

Mr. BENIDICKSON: Yes.

THE CLERK OF THE COMMITTEE: Mr. Broome? (no response)

THE CLERK OF THE COMMITTEE: Mr. Cardin? (no response)

THE CLERK OF THE COMMITTEE: Mr. Carter?

Mr. CARTER: Yes.

THE CLERK OF THE COMMITTEE: Mr. Clancy?

Mr. CLANCY: No.

THE CLERK OF THE COMMITTEE: Mr. Denis? (no response)

THE CLERK OF THE COMMITTEE: Mr. Fane?

Mr. FANE: No.

THE CLERK OF THE COMMITTEE: Mr. Forgie? (no response)

THE CLERK OF THE COMMITTEE: Mr. Fortin? (no response)

THE CLERK OF THE COMMITTEE: Mr. Herridge?

Mr. HERRIDGE: Yes.

THE CLERK OF THE COMMITTEE: Mr. Jones? (no response)

THE CLERK OF THE COMMITTEE: Mr. Jung? (no response)

THE CLERK OF THE COMMITTEE: Mr. Kennedy?

Mr. KENNEDY: No.

THE CLERK OF THE COMMITTEE: Miss LaMarsh? (no response)

THE CLERK OF THE COMMITTEE: Mr. Lennard?

Mr. LENNARD: Yes.

THE CLERK OF THE COMMITTEE: Mr. MacEwan? (no response)

THE CLERK OF THE COMMITTEE: Mr. MacRae?

Mr. MACRAE: No.

THE CLERK OF THE COMMITTEE: Mr. Matthews?

Mr. MATTHEWS: No.

THE CLERK OF THE COMMITTEE: Mr. McIntosh?

Mr. MCINTOSH: No.

THE CLERK OF THE COMMITTEE: Mr. McWilliam?

Mr. McWILLIAM: Yes.

THE CLERK OF THE COMMITTEE: Mr. O'Leary? (no response)

THE CLERK OF THE COMMITTEE: Mr. Ormiston?

Mr. ORMISTON: No.

THE CLERK OF THE COMMITTEE: Mr. Parizeau?

Mr. PARIZEAU: No.

THE CLERK OF THE COMMITTEE: Mr. Peters? (no response)

THE CLERK OF THE COMMITTEE: Mr. Pugh? (no response)

THE CLERK OF THE COMMITTEE: Mr. Roberge?

Mr. ROBERGE: Yes.

THE CLERK OF THE COMMITTEE: Mr. Robinson?

Mr. ROBINSON: Nay.

THE CLERK OF THE COMMITTEE: Mr. Rogers? (no response)

THE CLERK OF THE COMMITTEE: Mr. Smith (*Lincoln*)? (no response)

THE CLERK OF THE COMMITTEE: Mr. Speakman?

Mr. SPEAKMAN: No.

THE CLERK OF THE COMMITTEE: Mr. Stearns?

Mr. STEARNS: No.

THE CLERK OF THE COMMITTEE: Mr. Stewart?

Mr. STEWART: No.

THE CLERK OF THE COMMITTEE: Mr. Thomas?

Mr. THOMAS: No.

THE CLERK OF THE COMMITTEE: Mr. Webster? (no response)

THE CLERK OF THE COMMITTEE: Mr. Weichel? (no response)

THE CLERK OF THE COMMITTEE: Mr. Winkler?

Mr. WINKLER: No.

The CHAIRMAN: I declare the motion lost. Will clause 13 carry?

Mr. BENIDICKSON: Mr. Chairman, before we proceed further with clause 13, may I say this. I presume that you have had the same worry as some of us have expressed, namely with respect to the time table and, particularly, in connection with a short month. Have you discussed this with the minister and could you tell the committee anything which might be assuring in so far as the mechanics of advancing this legislation is concerned? Is the Senate going to be meeting on Monday and Tuesday? Has royal assent been assured? If not, there should be at least a recommendation from this committee—the former motion was not carried—that we should have a firm date other than January 1, which would make sure, in the event of some unpredictable situation in the house, that this matter is going to pass before the end of the current month.

Mr. SPEAKMAN: Mr. Chairman, I move that any further discussion be held *in camera*.

The CHAIRMAN: Well, I think we have a perfect right to discuss the situation. There may be some questions.

In response to the question asked by Mr. Benidickson, I did discuss this with the minister the other night, when I knew we were having the meeting today. I asked him if that would be too late, because, at the best, I do not think we could get the bill reported back until tomorrow, Friday. He said that he thought that would be all right. I have not received any further assurances. Of course, there is the possibility that it may be held up in the house. We have

not any control over the Senate, and until it gets back to the house the minister is unable to make any arrangements—if he was in a position to do so. However, he felt that if we could get it back to the house on Friday he could get it through.

I would like to ask Dr. Ollivier what his feelings would be if we put in a firm date—say March 1.

Dr. OLLIVIER: The same thing.

The CHAIRMAN: It would be the same thing.

Mr. BENIDICKSON: We cannot amend the bill, but we can make a recommendation in our report that the clause be amended to make sure that the benefits of the increased pensions would not become effective later than the end of this month.

The CHAIRMAN: I think we might discuss that when we make up the report. I do not see anything wrong in putting a suggestion to that effect in our report.

Dr. OLLIVIER: The only way you could do it is by moving a new amendment and substituting for the first of January the first of March. But, you would be in the same position.

Clause 13 agreed to.

Mr. CARTER: Before we proceed, Mr. Chairman, there is one question which occurred to me in connection with clause 10. This question did not come to mind until after clause 10 had been carried.

Clause 10 is the clause which extends the benefits to people in the allied forces. The question I want to ask is this: under this legislation, what would be the position of the widows of these veterans? Do they automatically become eligible for pension, as of right, or do they have to apply and have their cases examined on their merits?

The CHAIRMAN: Although we have carried clause 10, I presume you are asking Mr. Anderson this question.

Mr. CARTER: Yes.

The CHAIRMAN: Regardless of whether or not it is under clause 10, you would like that information?

Mr. CARTER; Yes, and I think it is in order.

The CHAIRMAN: Well, ask the question. I think you are entitled to ask a general question.

Mr. SPEAKMAN: The answer to his question is outlined clearly at lines 12, 13 and 14 on page 10 of the bill, and the words are underlined.

Mr. CARTER: Where?

Mr. SPEAKMAN: Page 10, and I quote:

and the widows, children and other dependents of the persons described in paragraph (a) and (b) upon whom the benefits of this act are conferred are entitled to the benefits of this act.

Mr. CARTER:

. . . in so far as the same or equivalent benefits are not provided in respect of them under the laws or regulations of the United Kingdom.

That is the point I want to clear up. First, they have to see what they can get under the laws of the United Kingdom.

Mr. ANDERSON: That is right.

Mr. CARTER: And, they are not in the same position as a widow of a Canadian veteran.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill, without amendment?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Now, gentlemen, I think we have completed our business, with the exception of meeting *in camera*. Before I ask that the room be cleared, I would like to thank the Clerk, the officials and all the witnesses for their co-operation. I would like to thank the Canadian Legion and the other delegations for their help and suggestions.

Mr. THOMAS: Mr. Chairman, was there some reservation made in regard to section 8?

The CHAIRMAN: That was to be taken up.

Mr. HERRIDGE: Are you including in your remarks as well, our appreciation for the brief from the National Council of Veterans?

The CHAIRMAN: Yes.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

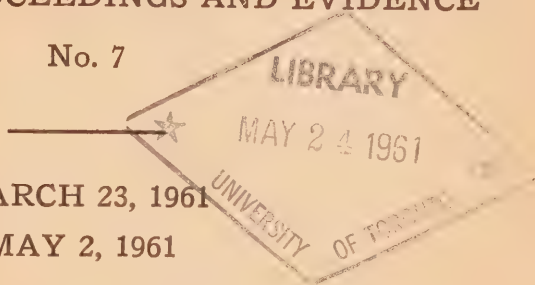
Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

MARCH 23, 1961

MAY 2, 1961



ESTIMATES (1961-62) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

The Honourable Gordon Churchill, Minister of Veterans Affairs, and
Mr. L. Lalonde, Deputy Minister of the Department of Veterans
Affairs.

From the *Canadian Non-Pensioned Widows' Association*: Mrs. M.
Wainford, Mrs. J. Robinson and Mrs. R. Simkins, of Montreal; Mrs.
H. Hickey, Mrs. E. Cooper and Mrs. M. Ward, of Toronto; and
Mrs. E. Darville, of Vancouver.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Howe	Parizeau
Batten	Jones	Peters
Beech	Kennedy	Roberge
Benidickson	LaMarsh, Miss	Rogers
Broome	Lennard	Smith (<i>Lincoln</i>)
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McFarlane	Thomas
Fane	McIntosh	Webster
Forgie	McWilliam	Weichel
Fortin	O'Leary	Winkler.
Herridge	Ormiston	

R. L. Boivin,
Clerk of the Committee.

ORDERS OF REFERENCE

MONDAY, April 17, 1961.

Ordered,—That items numbered 453 to 478 inclusive, and items 494 and 495, as listed in the Main Estimates 1961-62, relating to the Department of Veterans Affairs, be withdrawn from the Committee of Supply and referred to the Standing Committee on Veterans Affairs, saving always the powers of the Committee of Supply in relation to the voting of public moneys.

FRIDAY, April 28, 1961.

Ordered,—That the name of Mr. McFarlane be substituted for that of Mr. Jung on the Standing Committee on Veterans Affairs.

MONDAY, May 1, 1961.

Ordered,—That the name of Mr. Howe be substituted for that of Mr. Robinson on the Standing Committee on Veterans Affairs.

Attest.

LÉON-J. RAYMOND,
Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, March 23, 1961.

(9)

The Standing Committee on Veterans Affairs met this day at 10.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Beech, Broome, Carter, Clancy, Fane, Herridge, Kennedy, Lennard, MacRae, Matthews, McIntosh, Montgomery, Roberge, Robinson, Smith (*Lincoln*), Stearns, Thomas, Webster, Winkler.—(19).

In attendance: From the Dominion Council of the Canadian Non-Pensioned Widows' Association: Mrs. M. Wainford, Mrs. J. Robinson, and Mrs. R. Simkins, of Montreal; Mrs. H. Hickey, Mrs. E. Cooper and Mrs. M. Ward, of Toronto; and Mrs. E. Darville, of Vancouver.

Also in attendance: Mr. L. Lalonde, Deputy Minister of the Department of Veterans Affairs; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board; and Mr. T. D. Anderson, Chairman of the Canadian Pension Commission.

The Chairman read the report of the Steering Subcommittee, as follows:

"REPORT TO THE COMMITTEE

Your Steering Subcommittee met on Tuesday, March 7, 1961, to consider a request received from the General Council of the Canadian Non-Pensioned Veterans' Widows to present a brief to the Committee during the month of March, which is the only time convenient for them.

Your Subcommittee is anxious to extend this courtesy to the General Council, but recognizes that the Committee does not have, at this time, power to send for witnesses or to pay expenses incurred by witnesses. Your Subcommittee therefore recommends:

1. That the Committee be convened on Thursday, March 23, 1961, at 10.30 a.m. in Room 303 West Block, to hear representatives of this Organization;

2. That the Proceedings and Evidence of this meeting be printed and incorporated in the Minutes of Proceedings and Evidence of the first meeting held after the Committee has received further reference from the House.

G. W. MONTGOMERY,
Chairman"

It was moved by Mr. Beech, seconded by Mr. Herridge, that the said Report be adopted. *Carried unanimously.*

The Chairman welcomed the delegation from the Canadian Non-Pensioned Veterans' Widows, and called on the President, Mrs. M. Wainford, to present her colleagues and to elaborate on the resolutions brought to the attention of the Committee.

Resolutions A. B. C. D. E. F. and G. were considered. The witness was then thanked by the Chairman and retired.

Mrs. E. Darville was called and made a statement on housing problems. The witness was questioned and retired.

The Chairman expressed deep appreciation on his behalf and on behalf of the Committee to the Members of the delegation and to the officials of the Department of Veterans Affairs for their assistance and cooperation.

The Committee adjourned at 12.05 o'clock p.m.

TUESDAY, May 2nd, 1961.

(10)

The Standing Committee on Veterans Affairs met this day at 9.30 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Beech, Benidickson, Cardin, Carter, Clancy, Fane, Forgie, Herridge, Howe, Jones, Kennedy, Lennard, MacRae, Matthews, McFarlane, McIntosh, Montgomery, O'Leary, Parizeau, Peters, Pugh, Rogers, Smith (*Lincoln*), Stearns, Thomas, Weichel—(27).

In attendance: The Honourable Gordon Churchill, Minister of Veterans Affairs, and Mr. L. Lalonde, Deputy Minister of the Department of Veterans Affairs.

The Chairman stated that various Veterans Organizations wished to be heard by the Committee and asked the Committee's pleasure in this matter.

On motion of Mr. Pugh, seconded by Mr. Weichel,

Resolved,—That those Veterans Organizations that wish to be heard be extended this courtesy, and that the Steering Subcommittee allocate them the various dates that are open. *Carried*.

The Chairman then welcomed the Minister of Veterans Affairs and the officials of that Department, and invited the Minister, Mr. G. Churchill, to make a statement on the Estimates of the Department of Veterans Affairs.

The Minister made a brief statement outlining the policy of the Department and invited the members to make suggestions that would help to increase its effectiveness. He stressed the fact that he considered it a duty, as did the officials of the Department, to see to it that Veterans were given all possible assistance. The Minister concluded by saying that he was most willing to answer any question, but that the Deputy Minister, or officials of the Department, were probably in a better position to explain some aspects of the Department's administration.

The Chairman called item 453—Administration of the Department, and asked the Deputy Minister, Mr. Lucien Lalonde, to make a preliminary statement.

The Deputy Minister began his statement by thanking the Committee for their appreciation of the efforts made by the Department on behalf of the Veterans, and had distributed copies of a document entitled "Summary of Estimates", and of the Annual Report of the Department of Veterans Affairs.

The Deputy Minister then reviewed the main items of the Departmental Estimates and answered questions thereon. He also introduced the various officials of his Department who will be explaining the detailed Estimates.

The Committee agreed to let item 453 stand until a later date and the Chairman called item 454—*District Services—Administration*. After further questioning the Committee stood item 454 until the next meeting.

At 10.45 o'clock a.m. the Committee adjourned until Thursday, May 4, at 9.30 o'clock a.m.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, March 23, 1961.

The CHAIRMAN: Gentlemen, will you please come to order. Let us open the meeting.

The first thing I would like to do is read the report of the steering committee for this meeting.

Your steering subcommittee met on Tuesday, March 7, 1961, to consider a request received from the general council of the Canadian non-pensioned veterans' widows to present a brief to the committee during the month of March, which is the only time convenient for them.

Your subcommittee is anxious to extend this courtesy to the general council, but recognizes that the committee does not have, at this time, power to send for witnesses or to pay expenses incurred by witnesses. Your subcommittee therefore recommends:

1. That the committee be convened on Thursday, March 23, 1961, at 10.30 a.m. in Room 303 west block, to hear representatives of this organization;

2. That the proceedings and evidence of this meeting be printed and incorporated in the minutes of proceedings and evidence of the first meeting held after the committee has received further reference from the house.

That is the report of the steering committee. Would someone move that it be accepted?

Moved by Mr. Beech, seconded by Mr. Herridge.

Mr. FANE: The remarks I wish to make at this point concern the conflict of committees. When the steering committee is recommending on such things as the time for our meetings, would it be proper to find out what times would avoid a conflict with other important committees.

The CHAIRMAN: Mr. Fane, we decided on this on March 7 in this committee. It is the other committees which are conflicting with us. I appreciate what you say. When we start sitting regularly we will endeavour to arrange the hours so that there will not be too many of these committees meeting at the same time. This time, however, ours was set first. If you are on some committee meeting which will conflict with us in this particular case, then it is that committee which is conflicting with us.

Mr. FANE: I have the same difficulty in respect of every committee and it is getting beyond being funny.

The CHAIRMAN: All in favour of the adoption of the subcommittees' report?

Motion agreed to.

The CHAIRMAN: The meeting was called this morning to hear the brief of the Canadian non-pensioned veterans' widows dominion council. I will call on the president, Mrs. Wainford. Would you come forward please, Mrs. Wainford.

I am sure we welcome these ladies. We appreciate the work they have done in the past. I notice the brief is boiled right down. Would you prefer to read the brief in its entirety or be questioned on each paragraph?

Mrs. M. WAINFORD (*President, Canadian Non-Pensioned Veterans' Widows Dominion Council*): Mr. Chairman, for the benefit of the new members of the committee I would like to give a brief summary of our work.

The CHAIRMAN: Would you go ahead and present your case and then we will ask questions on the brief.

Mrs. WAINFORD: The questions can be asked and I will answer them to the best of my ability. How long do I have?

The CHAIRMAN: We have until 12 o'clock. Would you introduce the ladies whom you have with you, and then perhaps you would like to sit down and talk to us.

Mrs. WAINFORD: I would rather stand up. I would like to introduce Mrs. Hickey who is in her twenty-fifth year with this organization. She is from Toronto. Mrs. Darville has come all the way from Vancouver. I hope that I will finish in time so that Mrs. Darville will have an opportunity to speak on behalf of the west as their problems are different to ours. On my right I have Mrs. Simkins from Montreal, my vice-president, and also Mrs. Robinson from Montreal. Then we have Mrs. Cooper from Toronto and Mrs. Ward. The other lady is a guest who came to listen.

In my opening remarks I would like to thank the chairman for the privilege of appearing before this committee again. It is very unfortunate we had not made application sooner. I would like to explain to the new members how long our work has been going on and what we have done. I do not think it will take any more than five minutes. I, myself, have just served twenty-five years as president of my own branch in the province of Quebec. Mrs. Hickey will soon have served twenty-five years with her branch. During our first years, from 1936 until 1941, we had a great deal of hard work which you will understand. In 1941, Mrs. Hickey and I, and another two ladies, were the first to appear before the veterans affairs committee.

In 1942 we formed a dominion council and in 1943 we received our first allowance of \$20 a month. At that time I might add that everybody was very happy. This was given to us under the old age pension scheme, only instead of at age 65 it was at age 55. At that time we were off the labour market. All of you gentlemen here know that in the thirties things were bad and even a white-collar worker at age 40 was off the labour market. Therefore, the government accepted us in the beginning through an order in council, and later by statutory legislation. It was no longer called the burnt-out pension. This came under the veterans allowance.

In the following years, naturally, we received a raise now and then.

I would like to explain to this committee that now everyone in the department is new to us. In every building we visit in Montreal, and I assume elsewhere, there are new men in the positions. This means that we have to go and speak to these people in order to let them know the work we have done in the past twenty-five years.

At our first meetings, we met in the House of Commons. We had the large committee rooms for our meetings and had our placards outside. Mr. Herridge and Mr. Benidickson I think are two of the older members, also Colonel Brooks. They would come and sit in conference with us. I believe we were of great benefit and help to the government in showing the circumstances of the widows of the 1914-18 war. That was our first objective. At that time the widows felt, as they do today, that they should be allowed to open their case. The only way we can open our case at the present time is by getting new evidence. The procedure is to go before the board, and then it is appealed. Once it is turned down by the appeal board we have no way of putting up our case again.

I was hoping as a result of the representations that the other veterans organizations made here a month or so ago in respect of the benefit of doubt, that it would give many of us widows an opportunity to bring our case forward on the benefit of doubt. I have brought this up on many occasions when I have appeared before committees such as this. We have made presentations on this subject on many occasions. The benefit of doubt would give many of these widows the privilege of probably getting a straight pension. In 1949 the widows were getting \$50 a month. At that time there was a tendency that the cost of living could have gone up. We came before the committee and asked for \$60. We were told the cost of living might come down. Therefore, we asked for a cost of living bonus. That was when the supplementary allowance came in. At that time it was \$120, which meant we were getting \$50 a month and in addition \$120 a year.

Mr. Parliament, who is retired, Brigadier Melville who is retired, and all the members who are now retired, understood our problems and our cases. We found out that the assistance fund was not working up to its standard any more than it is today.

We used to meet in the House of Commons, then in the Transportation building, the Daly building, and now we are down the D.V.A. building where we meet when we come here to get together to submit a brief. This is not a brief; these are only resolutions.

I do not keep any notes. I just let the words come to me as I explain as much as possible what can be done. At the present time the women are getting \$70 a month under the war veterans allowance,—not \$90. I would like to mention a case which involves a lady who is right here in this room. This is a case of a widow who lives in a low rental house in Chateaugay. The rent is \$43.75 a month and then she has to pay so much for her light. The investigation by the investigators from the department showed that she needs another \$8. She needs at least another \$8 to meet her expenses.

We do not come here to ask the government to give us things which are unnecessary. The cost of living has gone up. With us here we have Mr. Knight. About four or five years ago he had a list drawn up of the statistics of what we should live on. On these statistics there were two or three items which impressed me very much. I went to see Mr. Parliament and Mr. Knight and was called in. In these statistics it showed that the widows would be able to pay \$32 a month for rent, gas and light—I am speaking in respect of the province of Quebec. In these statistics you got a new coat which would cost at that time perhaps \$29, and that coat had to do you four years; a new hat at \$2.90 which had to do you four or five years; one pair of shoe laces which had to do you for a year; one set of rubber heels on your shoes at fifty cents. It was all done on this basis. I said to Mr. Knight that I would have liked very much to have gone in amongst these people who drew this up, because nobody can tell me a woman can walk around for a year without having heels put on her shoes.

I bring up these points to let you know that we who are working in this understand the cases. If anything else comes up in respect of our resolutions which requires any discussion, I will be glad to do so.

The CHAIRMAN: May we now start to ask questions on the brief.

Mrs. WAINFORD: Perhaps I might read this and the members could ask me about any item and I will explain it.

A. Whereas, that the veterans allowance under the Veterans Allowance Act, be increased to \$90.

We want that across the board.

—making the total allowance \$1,080 per year; the cost of living is steadily increasing.

The CHAIRMAN: That is not to include the other allowance.

Mrs. WAINFORD: No.

B. Whereas. That the permissible income ceiling be raised to \$240 per year, bringing the total income to \$1,320.00 per year. We find that the families of veterans and widows are being penalized and that the allowance be awarded as of right. This at least would give the recipient the privilege of better scale of living.

Mr. HERRIDGE: What form of permissive income do most of your members have?

Mrs. WAINFORD: At the present time with the \$70 a month they make application to the board and a means test investigation is made where the expenses they might have are totalled up. The individual might get \$10 a month for a year or only \$5 a month for a year at the discretion of the board. I might add that in the past four or five years this assistance fund, as it is called, is much better distributed than it was many years ago. There is, however, still a lack of the necessities that a widow needs. She needs more money to keep her home.

Mr. HERRIDGE: What I meant is, what type of employment does the permissive income here cover; what do they do?

Mrs. WAINFORD: As I have mentioned we were off the labour market in the 1930's. Now, many of us are approaching seventy years of age. Why should we have to go out to work today? All that most of the widows can do is baby-sit. At our age we do not want to baby-sit after bringing up our own children.

Mr. BROOME: Actually, Mr. Chairman, "permissible earnings" are not really the words. Is it not "supplementary earnings"?

Mrs. WAINFORD: Yes.

Mr. BROOME: Mr. Herridge, it is not permissive earnings, but supplementary income.

Mrs. WAINFORD: Yes, from other source.

Mr. McINTOSH: Mrs. Wainford, am I correct in assuming that none of your husbands were disability pensioners?

Mrs. WAINFORD: I can answer that in this way: It is a 50-50 basis. During our early organization work we noted that most of the husbands of widows had had small pensions and had passed on. Also, many of the men had commuted their pensions and these widows were left aside.

Mrs. DARVILLE: Mr. McIntosh, I think I can say something on that question. We had quite a number of men in British Columbia with small pensions, and it was extremely difficult, in bringing it to the department, to show that a particular man died as the result of his disability. We, as wives—and I am not referring to my own case—knew that they died of disability, but we did not have the proper medical evidence to prove to the department that they died as a result of the war disability. In some cases a man would develop cancer, and naturally the cause of death was given as cancer.

During the 1914-18 war the men were in the trenches. They would develop all kinds of things, such as rheumatism, and some died of rheumatic fever. There is the case of one man who had returned to England from France. He was running around in one of the camps and was supposed to have had measles. However, he died of rheumatic fever.

Mr. McINTOSH: I think I would be right in saying that these ladies understand that this war veterans' allowance is just a supplementary pension, and I do not think it was meant that you should live off this type of pension.

Mrs. WAINFORD: Perhaps I should have explained about the first world war veterans. We quite fully understand and are aware of the situation. When we proceed down our brief, this discussion will come to the fore very strongly. We were indigent widows of men who had given service to the country. As soon as we received a little bit of relief to help us remain independent from our families, we were happy. We have been received by the government, and they have raised us, according to our standard of living. But we are still indigent widows. We thoroughly understand that this is not a pension, but an allowance; nothing more and nothing less.

The CHAIRMAN: What you are really asking is that the ceiling be raised to \$1,320?

Mrs. WAINFORD: Yes. If the allowance was raised to any extent at all, eligibility for the assistance fund naturally would be on the basis of a means test, and according to the financial circumstances of the widow. It would be dependent upon the low rent, or whatever it might be. If you want me to explain that further, I can.

Mr. McINTOSH: I was wondering if any of your members were recipients, also, of another pension. From your remarks I took it that you understood that you were expected to live entirely from what you obtained under this legislation. However, that is not correct.

Mrs. WAINFORD: The women can go out to work.

Mr. McINTOSH: Do you understand that?

Mrs. WAINFORD: Yes. We are aware of what the earnings are. On the other hand, some women take a job—and we experienced a great deal of difficulty about this in the beginning. We have had even General Burns attending our meetings in Quebec. Various members of the department have explained our situation. When they first brought in that bill—and I think it was No. 4—there was provision there that the veteran could get permission to work. We objected to the widows having to work. However, some of them went out and earned some money. Perhaps they overstepped the line. In some cases an amount of \$700 was owing to the government. That meant that I had to come up here and, instead of their having pensions cut, the government was generous and said they would take \$5 a month off their allowance until they paid back that debt.

Mr. McINTOSH: But if everyone who is a recipient of war veterans' allowance had the idea that they were able to live off this, we could say that everyone who was in the services could claim from the government and say that the government owed them a living.

Mrs. WAINFORD: We do not want that. I have been very closely examined on a number of occasions as to whether we widows realized that what we are getting is given under an assistance, in order to allow us to broaden our life, or whatever it might be. However, we attend meetings and we have to listen to those who come and ask questions. In each instance that the government has raised the amount, the cost of living has gone up, and we are here now to see if we can obtain a further raise.

Mr. McINTOSH: It may be that there should have been a special act to cover your group, rather than that you be included in this war veterans' allowance.

Mrs. WAINFORD: Yes.

Mr. FANE: Mrs. Wainford, I would ask you how this allowance which you receive from the war veterans' allowance affects your eligibility and receipt of what has become known as the old age pension, and vice versa?

The CHAIRMAN: Mr. Fane, that will come up later.

Mrs. WAINFORD: Yes, and I am sure there will be a big discussion on this.

Mr. BEECH: I wonder if Mrs. Wainford could explain this sentence:

We find that the families of veterans and widows are being penalized and that the allowance be awarded as-of right.

Mrs. WAINFORD: I am glad you brought that up, and it is embodied in one of our resolutions. I might mention the province of Quebec. Any person there who is getting the \$40 a month—and we got \$40.40 at one time—and incurs hospital bills, the son-in-law, or whoever it may be, would have to pay the bills. The \$40 did not keep them and, as a result, the families were brought into it. We advised the government that if the widow was entitled to this allowance, the families should not be penalized. In many cases they are still being penalized. I will explain it this way: I will say that some of our women are, in a way, honest, and when the investigator comes, some of them will say that they are getting \$70 a month and the family is only taking \$30 a month from them. Because of this, they cannot get any extra payment from the assistance fund, because they are paying such a low rate of rental for their room and board and, as I said, that raises the point of the family being penalized because they want to do something for their mother. In another case, it might be a widow whose family pay the telephone for her, or something like that. The family can pay the telephone, but if they give her the money to pay it, that is different. They then class her as receiving an income from her family. We feel that the widows should be able to receive small amounts from their families. We have explained to the members of the department at meetings which we have attended that if the family wants to give a gift at Easter or on birthdays, it should be all right, as long as it is not in monetary form. If money is involved, then your allowance comes down. Even if the amount of \$1 is accepted, it is cut down. I know of one case where a woman is receiving \$89-and-some-cents because she goes out to earn money. She told them what she earned. With her earnings, it brings it down to \$89.

The CHAIRMAN: If there are no further questions, paragraph (c) is next.

Mrs. WAINFORD: Paragraph (c) reads as follows:

That all recipients of the war veterans' allowance whose late husbands served in England with the Canadian forces be given full consideration of war veterans' allowance, we recommend that an amendment be made at this session to abolish the 365 days.

I would like to bring to the attention of the members of the committee that many years ago it was our idea to bring this resolution in, thinking that we could do something for the men who served in England— and England was a theatre of war—and then we could ask them to look after the fellows who had never left Canada. That was the main purpose of that resolution.

For the sake of the new members, I might say that when this legislation came through for the imperials, they had to reside twenty years in the country; then it came down to ten, and now it has come down to 365 days. However, if it is one hour before the 365 days, the widow does not come under the legislation.

Mr. HERRIDGE: You mean 365 days' service in Britain?

Mrs. WAINFORD: Yes.

Mr. HERRIDGE: Not in Canada?

Mrs. WAINFORD: In Great Britain, yes, and then they come out to this country. After the completion of the first war, the government assisted many of these families in going abroad. They even put furniture into their homes, in many cases. Unfortunately, however, these men came over here after serving in the forces, and they would live only three or four years, perhaps, and then passed on, leaving the wife with two, three or four children. Their wives could

not afford to go back and enjoy the security that they have at the present time over there, and have had for the past 18 years, if not 20 years. They have had a national health scheme in the old country for years. It is our feeling that if the government could assist in bringing these people out, that we should try to do something for the widows after their husbands passed on.

Mr. HERRIDGE: But this legislation refers entirely to members of the Canadian armed forces who served in Britain. However, they are required to serve in Britain 365 days before they can qualify.

Mrs. WAINFORD: Yes.

Mr. HERRIDGE: Those men enlisted in Canada?

Mrs. WAINFORD: Yes, but we are still waiting to have it cover the imperials who came over here.

Mr. BEECH: Well, they are covered, provided they have a residence of ten years.

Mrs. WAINFORD: Yes, I realize that.

The CHAIRMAN: Your request concerns the Canadians.

Mrs. WAINFORD: Yes.

The CHAIRMAN: (d) is next.

Mrs. WAINFORD: (d) reads as follows:

That the government give special consideration to a health program whereby the veterans and widows can obtain free hospitalization. This should be taken care of by the government by the issuing of a special card to the recipients of the war veterans' allowance, that when in need of medical care, this card could be presented to the doctor or the hospital who, in turn, would make a claim from the government. This could be dealt with through the district office.

Gentlemen, I know there is going to be a debate on this. I had the privilege, two weeks ago, of meeting the new Minister of Veterans' Affairs. At that time he had one of these resolutions forms before him, and in discussing this subject with him he said that all the provinces have a health program which would cover us. I said that it was absolutely of no use to the widows. He asked me what I meant, and I answered him this way: Suppose I am in Ontario, where I am living at the present time; I pay \$25 a year for hospitalization. However, I must go to one doctor first, and if that doctor sends me to a specialist I have to go to him. If the specialist, in turn, sends me to a hospital, I have to go to the hospital for X-rays. Then I have to get medicine from the specialist and medicine from the doctor. This, in fact, happened to me. I pay \$25 a year. In one week all these expenses totalled \$75, and I had to borrow money from my daughter in order to pay it. My daughter asked me why I did not drop this thing, and I told her that I did not want to embarrass them if anything happened to me. I thought it would pay me to stay in it and that I could pay off my indebtedness from what I obtained from the government. I am sure this was brought in many years ago. We talk of the early days of 1942. In 1944 the late Ian MacKenzie went to Britain to study their health program, and we have the women here who met Walter Tucker in one room, and we were with the minister in another room. It was drawn up, tabled and then shelved. I presume it is still in the house. This was a contributory and non-contributory scheme. All we were receiving at that time was \$40.41. I suggested that they take the 41¢ off us to pay for going through these clinics. The men do not have the same trouble as the women, when going through clinics. Even now they are charging five or six dollars to go through a clinic. It costs us women \$2 for a card; then you have to wait, and everytime you go to a hospital it is a different doctor.

On top of that we have to pay for medicines. I will go so far as to say that had the late Ian MacKenzie not passed on, there might have been something done about this problem. It is a drastic situation in this country, as our country has it in a different way. I understand that in the province of Quebec they do not pay, as we do, but it is not free medical at all. They are asking \$6 to go through their clinic. Working people cannot afford that.

I will revert now to the matter of penalization. Take the case of a father-in-law or mother-in-law who is staying with a family. These people are in receipt of the allowance. However, when they go to the hospital they get a bill of anywhere from \$300 to \$400 and the son-in-law has to pay the bill. The bill has to be paid. We work in conjunction with the hospitals and D.V.A., and if a large bill is presented, it is arranged that we can pay \$5 a month out of the widows' allowance until the indebtedness is paid. This is a drastic situation, and this resolution covers that. It is a very bad situation, and I am hoping and praying that within a few years there will be a national health scheme brought into effect in Canada on a contributory and non-contributory basis. Anything that would save the widows embarrassment when attending these clinics would be very much appreciated.

Mr. HERRIDGE: May I say that I have watched the line-up of immigrant wives in Vancouver. Thousands of them have been treated in our hospitals in Canada—and I do not question their need. Surely, that being the case, our government could provide the same medical treatment for veterans' widows.

Mrs. WAINFORD: Well, each time we have discussed this in a group meeting with the minister and his colleagues, they have said that if they did this for us, they would have to bring in the pensioners and the widows who are drawing the full pension. There is a big difference between the widow receiving the full pension. She can earn whatever she likes.

I am glad you brought that up, Mr. Herridge. I would have liked to have done so. However, I do not like to be too severe. I know I have a commanding voice, and I thought it might sound a little harsh if I mentioned that. However, if our government could do for us what they have done for others all across the country, it would be greatly appreciated. These people have been brought out here and put into nice homes. Also, they are receiving free medical treatment. Surely, if they receive free medical treatment, they should give it also to us.

Mr. CARTER: How many widows does your organization represent now? Do you have any figures on the total number of widows who receive benefits?

Mrs. WAINFORD: We have not gone into the figures. Any time I have appeared before your committee, I have always referred that question to the appropriate member of the department.

Mr. HERRIDGE: Possibly one of the officials could let us know the number.

Mr. CROMB: As of the 31st of December 1960, there were 19,874 widows on strength of the war veterans' allowance.

Mrs. WAINFORD: That is, receiving the allowance.

Mr. CROMB: Yes.

Mr. STEARNS: Well, that is 1200 more than you reported last year. Last year you reported 18,600.

Mrs. WAINFORD: Well, there has been a great number who have died since then. I would feel now that the average widow would be between 65 and 68 years of age.

Mr. BEECH: In many cases where these ladies now have only the war veterans' allowance coming in, many of them would come under this old age assistance, where free medical treatment could be obtained.

The CHAIRMAN: The old age assistance is a provincial matter.

Mrs. DARVILLE: I could answer that question.

Mrs. WAINFORD: I have gone into this matter very thoroughly. I am talking strictly of an old age pensioner receiving \$55 a month, not those receiving the old age pension and war veterans' allowance. In those cases the Red Feather and family welfare service will subsidize that particular person, based on their room rent or whatever it might be.

Mr. BEECH: The thing that occurs to me is that a widow on war veterans' allowance would have the privilege of obtaining these medical services as provided through the Old Age Assistance Act.

Mrs. WAINFORD: No.

Mr. KNIGHT: Mr. Chairman, in this connection there is a considerable variation from province to province in regard to the provisions for medical care for indigents. Most provinces have a definite program of medical care for needy persons. I might mention the old age assistance plan and the disabled persons' allowance. There are different programs and they vary from province to province. They even vary from municipality to municipality. There are programs under which needy persons can be provided with medical care at public expense. We are familiar with this because, as part of our assistance operation, we try to help veterans and their dependents to obtain help that may be available from any other source in order to meet their needs, which we cannot meet directly. Because of their permitted income under the War Veterans' Allowance Act, they are above the ceiling for assistance under these particular programs.

Mr. STEARNS: May I make just one comment: At the age of 65 one finds himself out of the labour market. Would it help your case any if, at the age of 65 and over, you were brought under an act that would provide help and hospitalization?

Mrs. WAINFORD: Well, we have not discussed this among our members, but I think if that act is brought in in the same way as our first act was brought in, to give us \$20 a month, we would feel that once we were in we might have other ways and means of coming back and working things out, as we did in the first place. I understand that would be age 65 for the recipient under the war veterans allowance. A veteran gets that, but that would be for the widow. As I mentioned before, I think most of the widows in the 65-year bracket really are in circumstances where they need the most attention possible, in so far as hospitalization is concerned.

Mr. CARTER: It is my understanding that a veteran in receipt of war veterans' allowance does get free medical treatment. Is that not the case?

Mr. CROMB: Yes.

Mr. CARTER: And, not only the veteran, but his family as well.

Mr. CROMB: No, just the veteran.

Mr. CARTER: It does not extend to the family?

Mrs. WAINFORD: No. It does not affect the family.

The CHAIRMAN: Mr. Broome—have you a question?

Mr. BROOME: That was the question I was going to ask. I was wondering if the benefit could flow from the veteran to the wife. Is this done at all, in so far as medicine, prescriptions and that sort of thing is concerned?

Mrs. WAINFORD: Absolutely not.

Mr. HERRIDGE: Only the wives of immigrants.

Mr. BROOME: Then if there was an amendment, it would be to amend the War Veterans' Allowance Act so that the widows would receive the benefit which formerly lay with their husbands

Mr. WINKLER: Inasmuch as you are from Ontario, is it something inconsistent with the program of old age assistance, hospitalization and medical treatment in Ontario, for which you are asking?

Mrs. WAINFORD: No. As I explained, each province has a different idea.

Mr. WINKLER: I am talking about the situation as it exists in the province of Ontario.

Mrs. WAINFORD: I think I should have to go back to the province of Quebec, which has been severely penalized over the years. Even in our early days, when war veterans allowance was very small, the governments from Ontario to Vancouver would make it up to \$55 if it were only \$50, and the widow could get free dentures and other aids. However, in the province of Quebec we could only get the pension, and that was all. I have been so many times in hospital myself I know exactly what I am talking about. Does that answer your question?

Mr. WINKLER: Not exactly, but I am sure you are aware of the scheme as it operates in Ontario. I am not aware of what the situation is in other provinces.

Mrs. WAINFORD: I am aware of the scheme in Ontario and I am paying \$25 a year to keep myself covered.

Mr. WINKLER: Is the situation which exists in Ontario satisfactory for old age pension recipients?

Mrs. WAINFORD: I shall have to ask Mrs. Hickey to answer that.

Mrs. HICKEY: Mr. Chairman, you want to ask me about the province of Ontario?

The CHAIRMAN: About old age assistance.

Mrs. HICKEY: Well, there are \$25 which we pay initially to join it but, if you receive welfare from the province, in the city of Toronto you are given a medical card which admits you to anything. But the so-called war veterans allowance does not qualify you for that, because it is just above the ceiling laid down.

The CHAIRMAN: I think Mr. Knight explained that.

Mr. WINKLER: And with the old age assistance in the province of Ontario there is free hospitalization under the basis of a means test.

Mrs. HICKEY: Mr. Chairman, you qualify before you come to old age security.

Mr. WINKLER: For free hospitalization? That is exactly what I am saying. Is this sort of plan acceptable to you?

Mrs. HICKEY: If it could cover veterans' widows, that is what we are seeking, and we have been looking for it for years. You have to be in receipt of a medical card. You cannot call on a doctor at any time of the day or night.

Mr. WINKLER: I think you have answered my question very well.

Mr. KENNEDY: There is one point here which I think should be brought out. A veteran on a war veterans allowance has his premiums, or their equivalent, paid in taxes to protect his family under hospitalization?

Dr. CRAWFORD: No, sir, just to protect himself—the veteran alone.

Mrs. HICKEY: If the Chairman would allow me to relate that story of the woman who came into the English theatre of war but was ineligible for war veterans allowance—

The CHAIRMAN: I think Mr. Herridge had a question on the other point.

Mr. KENNEDY: The point I was trying to make is that when a veteran dies, his widow does not get the same extension.

Mrs. HICKEY: Not in medical care.

Mr. HERRIDGE: I am trying to get some definite information. There are approximately 20,000 of these war veterans' widows, and I should like to ask Dr. Crawford what percentage of that group is likely to be ill at any one time.

Dr. CRAWFORD: In this particular group, about 25 per cent.

Mr. HERRIDGE: In this particular group?

Dr. CRAWFORD: I am basing this on our experience of war veterans. We have about 25 per cent of them under treatment at any one time.

Mr. HERRIDGE: Therefore we should have to provide for about 5,000 people across Canada in order to assist these ladies.

The CHAIRMAN: Mrs. Hickey, do you have something to say on this point?

Mrs. HICKEY: Well, the indigent widows are better cared for in Toronto than they would be under war veterans allowance.

Mr. WINKLER: Actually, this make the difference.

Mrs. HICKEY: Actually, it does.

The CHAIRMAN: We shall now move on to paragraph 3(b).

Some Hon. MEMBERS: That has been covered.

Mrs. WAINFORD: I think it has been well covered. I shall now deal with paragraph (f), which reads as follows:

Suggested change in the wording of the resolution regarding the over-seventys. Be it resolved that the recipients of the veterans widows allowance over seventy years of age be allowed a ceiling of permissible income to cover their old age security pension without reduction of basic veterans widows allowance so as to make it possible for such recipients to receive the old age pension in exactly the same manner as received by all citizens throughout Canada after reaching the age of seventy.

This resolution, in effect, means that they want \$70 a month and \$55 a month for old age pensioners.

Mr. BEECH: You are not being consistent. In paragraph (b) you ask that the ceiling be \$1,320 a year.

Mrs. WAINFORD: No, but I might mention that when this was brought to my attention previously I pointed out that there was so much pension legislation that it is quite involved. Section 25 and two or three other sections deal with it.

The CHAIRMAN: The sum and substance of this resolution is that you would like to get the old age pension in addition to the war veterans' allowance.

Mrs. WAINFORD: Our council members recommend this.

The CHAIRMAN: I am just trying to shorten this.

Mr. HERRIDGE: For those over 70.

Mrs. WAINFORD: Yes. When you reach the age of 70 years, you receive \$55 and then the \$35 brings you up to \$90. I am referring to the old age pensioner. Now, this resolution means that you should get your \$70, and the \$55 when you reach the age of 70 years.

Mr. BEECH: Therefore the ceiling you are asking in paragraph (b) is \$1,500.

Mrs. WAINFORD: Yes. I have tried to explain, as chairman of this committee, that this could never happen, because you are going way over the pensioned widow who is getting a pension as of right.

The CHAIRMAN: We will now proceed to the last paragraph.

Mrs. WAINFORD: Paragraph (g) reads as follows:

"That the non-pensioned veterans' widows recommend that the government bring in a bill at this session, whereby that the veterans and widows who are recipients of the war veterans' allowance can obtain free medicine from the veterans' hospital, and this would alleviate the stress of the high cost of doctors' prescriptions."

The CHAIRMAN: In other words, this really means that the widows would be treated in the same way as their husbands were when they were living?

Mrs. WAINFORD: Yes, as far as getting medicine is concerned. As far as I am concerned, I think that would be a great benefit. After all, as the hon. members probably know, prescriptions today are very expensive. If you have to go to a doctor today, or even to a hospital, you pay for your medicine in the hospital, even though you get it much cheaper. However, if you go to a doctor and obtain a prescription you will pay at least \$5 for pills.

Mr. BROOME: This would be the biggest help to you of all?

Mrs. WAINFORD: That would be a great help to the widows,—and I am referring to the widows who are drawing the war veterans' allowance.

Mr. CARTER: If the legislation were passed which would increase your ceiling to \$1,320 and give you the medical benefits that your husband would have received, were he living, that would cover most of what you want?

Mrs. WAINFORD: Yes. That is basically what we are seeking from this committee.

Mr. HERRIDGE: That is one of your major problems.

Mrs. WAINFORD: Yes, those are the major problems.

The CHAIRMAN: We have about twenty minutes left. I think there are several of the other ladies who would like to be heard.

Mrs. Wainford, if you have finished, we will try and give some of the other ladies an opportunity to speak.

Mrs. WAINFORD: I would like to thank the chairman and members of the standing committee, as well as those officials from the various departments who have given us this time.

I would like to stress the point that I hope something will be done this year, because when we were here last year before this committee we left the matter of war veterans' allowance in abeyance. We did not come to Ottawa very early because our western and other branches decided—in view of the fact that it was stated at this meeting that legislation was being studied very thoroughly and that it was hoped something would be done for us at the beginning of this year—that we would hold ourselves back, out of your way, in the hope that something would be done. Then of course it was only pension legislation you had to deal with, and that brought us here as quickly as possible in order to make contact with you.

I would like to thank the chairman and the hon. members of this committee for giving us the opportunity of coming today and being heard.

Mr. WINKLER: Just before Mrs. Wainford takes her chair, I would like to inform her that in the discussion in the house on the Pension Act, the very two things for which you are asking was recommended to the government by many members; certainly consideration of war veterans' allowance, and also consideration of the hospitalization and the medical aspects of your resolution. They were requested at that time.

Mrs. WAINFORD: Thank you very much. I receive Hansard every day, and I follow up those who bring in something about the war veterans' allowance.

Although I do not write to you personally, I always know that there is someone behind us. Thank you, Mr. Chairman.

Mrs. DARVILLE: Mr. Chairman and honourable gentlemen of this committee. Mrs. Wainford has stolen most of my thunder. However, that does not matter.

At this time I would like to speak mostly in connection with low housing. We in British Columbia have quite a difficult time with low cost housing and in connection with the different little cottages for these veterans' widows. There are very few available for veterans' widows. We have some units in Burnaby. Also, there are some in Vancouver. We always find that the actual privilege is not given to the veteran's widow who needs it, although it was her husband who went overseas and fought for his country. Somehow or other, it always seems that the others get the accommodation ahead of the widows.

If it is possible, I would be pleased if you gentlemen would get together and see if you cannot do something like they have in Calgary. They have there a very beautiful unit, and it just shows what can be done. They make it very happy for the old folks in Alberta. They have one-bedroom suites for widows, and a little larger ones for couples. The Canadian Legion have built several of these units in Burnaby. However, every time we have some one who wishes one of these units, and we make an application, somebody else is always ahead of us.

I am interested in the Soroptimist Club. We thought we had six suites available for these widows. However, when they were opened up they were all taken up. Out of those suites one was available for a veteran's widow. The Canadian Legion, through their bingo and other activities, have raised a great deal of money. I think the government subsidizes them for these things. How is it that when we come to make application to get these people into these homes, there are none left? There is a very large unit being built in Vancouver—and I believe it is on Main Street—

Mr. BROOME: It is in that area.

Mrs. DARVILLE: However, somehow or other it seems that every time I go there to find out what is going on, either Mr. Macdonald or Mr. McLeod are away some place else. It keeps us going, trying to keep up with them. I think this is quite a proposition and that you gentlemen should get together and see what is being done about these units for which the government are giving a subsidy.

Mr. HERRIDGE: You mean a dividend?

Mr. BROOME: The money is loaned by C.M.H.C.

Mrs. DARVILLE: Mr. Broome introduced me to the low-cost housing. Of course, we as a group of women could not possibly undertake a unit. For one thing, we have no men that would give us the architectural know-how, or anything like that. However, I do feel that the government should look into it and find out what is going on.

Mr. HERRIDGE: Are you then suggesting that we should ask the government, which is making loans under these circumstances, to allocate, where necessary, a certain percentage of these living units for veterans' widows?

Mrs. DARVILLE: Yes, definitely.

Mr. BEECH: Of course, British Columbia has the most favourable situation of any of the provinces because the provincial government puts up one-third of the cost of these buildings. They are under the control of local committees. They are the people who make the application. I might say that in Toronto the veterans certainly are given a preference. As a matter of fact, they are all

veterans who are housed in the Legion projects. I cannot understand why veterans in this case would not be given the preference. However, it is a matter for the local committees.

Mrs. DARVILLE: Well, that is the matter about which I wish to find out.

Mr. FANE: In the province of Alberta, these old people's homes are built by the provincial government out of the general funds, and they are available to all people who have the necessary requirements. A single person gets room and board for \$60 a month, and people occupying a double room pay \$55, give or take \$5 each way. I might say that these homes are very nice. I went through one of them while I was home at Christmas and I was positively amazed at the facilities offered in return for a payment of part of their pension. They are available to everyone—soldiers' widows, or anybody else.

The CHAIRMAN: You do not know how the selection is made?

Mr. FANE: Well, it is the people who get there first. I believe there are 39 of these in Alberta, and they are filled up.

Mr. CARTER: Are those low-rental houses?

Mr. FANE: No. It is just a home. It is all under one roof, and, as the case may be, they either have a room or a suite.

Mr. CARTER: It is a special project for the aged people?

Mr. FANE: Yes.

Mr. McINTOSH: I presume these low-rental houses are very much the same right across Canada and, having had experience with one, I can inform the witness right now that it is very difficult to do what you are asking, and that is to set aside certain of these units for people of your organization. The reason for this is that all the schemes are self-liquidating over a long period of years, and if you do set aside any of these units to look after any particular organization of senior citizens or veterans' widows, and so on, then of necessity, in order to make that project pay, you have to raise the amount in so far as the other people are concerned. You would be surprised at the circumstances which would arise if you gave them to certain groups. They found they had to keep them occupied at all times. I think Mr. Fane may have given a wrong impression. There are certain qualifications which you must have before you enter one of these units. The matter of income is involved; it concerns a certain age group, and so on. Unless you are able to come up with some other proposition, I do not think they can change it and make it successful.

Mr. HERRIDGE: I think we are talking about two different things: one is hostels, and the other is low-rental projects.

Mrs. DARVILLE: Yes. The hostels are for the old people. However, I am referring to the units that are being built. I feel something should be done in regard to those, so that more widows could be accommodated in them.

Mr. BEECH: I think it should be pointed out that the provisions allow for occupancy by veterans or veterans' widows only. This is set out, and I think you should have your groups look into this.

The CHAIRMAN: This is possibly not a matter in which the officials of the Department of Veterans' Affairs have very much to say.

Mrs. DARVILLE: May I also mention the home-owners—the veterans' widows who are home-owners. This involves a very difficult question. We in British Columbia have quite a few home-owners. I believe they also have quite a few in Alberta. They are finding that, in owning their own homes, they are penalized because they cannot then get any assistance. Also, they find that if they sell their home, it has deteriorated to such an extent that they cannot get anything out of it because of the repairs that are needed. Really, they are between the

devil and the deep blue sea. They want their homes, but cannot keep them going, and if they sell their homes, they have too much money.

The CHAIRMAN: Is there anybody here who might answer this question? We understand that a veteran can draw a veteran's allowance and can own a home valued up to \$8,000, and \$2,000 personal.

Mr. LALONDE: He can have a home worth more than that. It is a matter of the equity. The veteran or his widow can have a home up to \$8,000 at the assessed value. It is not the actual value. The home itself may be worth \$15,000 but if there is a \$7,000 mortgage on it the whole value of the home is exempt.

Mrs. DARVILLE: The question is that he cannot afford to keep it up.

The CHAIRMAN: What is your request?

Mrs. DARVILLE: The request is that you take a little more consideration of the women owning a home, especially if one should wish to have a roof done.

The CHAIRMAN: Would they be willing to assign the property over to the government so that on death it would become government property?

Mrs. DARVILLE: I would think that a very good idea, because they cannot take it with them.

Mrs. WAINFORD: I certainly would not like that. I do not want them to take over my property.

Mrs. DARVILLE: I would like to thank the committee very much for giving us the privilege of speaking here. We are ladies who come to Ottawa every so often and this shows what it means to you, gentlemen; otherwise you would not have us here. I feel that we have been a great help within the last 25 to 30 years in building up this association and coming before you with our problems. You will now see our side of the picture and you can use your own discretion as to what you do when you go into session.

It has cost British Columbia to send me here \$218 return, and it means a lot of money to be found. At the same time I am very grateful to you for the privilege of being able to speak here.

The CHAIRMAN: Thank you. I think your points mainly were that widows drawing a veteran's allowance should get a preference in these old homes.

Mrs. DARVILLE: Yes.

The CHAIRMAN: Secondly, that consideration be given to those who cannot afford to keep up their homes but who have homes.

Mrs. DARVILLE: Yes.

The CHAIRMAN: You feel that if the government contributed that, the government should have an equity in the home on the death of the person?

Mrs. DARVILLE: I think so. They cannot take it with them.

Mr. HERRIDGE: That is reasonable.

The CHAIRMAN: Is there any other lady who has a specific point to mention?

Mrs. HICKEY: Mr. Chairman and honourable gentlemen. I think we should meet oftener in the year. We learn a lot from each other. We have people coming here from British Columbia, and it is well that we should meet.

Mrs. WAINFORD: The only thing to do is to have a tag day and find some money.

Mrs. HICKEY: We should get together oftener and the whole ten provinces would be better for it. I am getting old and cannot carry on too much longer. We would know then what every one is thinking. Thank you very much.

The CHAIRMAN: They are putting this on the record.

Mrs. HICKEY: I do not care whether they put it on the record or not.

Mrs. DARVILLE: I feel that some allowance should be made for us ladies coming up here. If you ask any other people to come before you to represent associations and bring them up, you pay their expenses. I think this should be done in our case, also, even if it is only from the east to the west.

The CHAIRMAN: I am sorry, Mrs. Darville, I have not got the authority to say it. The committee has fully considered that in the past. It is only if a committee is set up and they want to request somebody to come that this can be done. I think the most that can be brought is two people. In this case I carry out the committee's wishes and there is no use appealing to me. It was understood you came at your own expense.

Mrs. SIMKINS: I want to thank you, gentlemen, for having listened so nicely to us. In regard to the medical expenses, may I give this experience of mine last fall. I became very ill and had my doctor. He said I should have cardiograms, X-rays and so on. He sent me to the clinic of the Jewish General hospital and when I was through with them I had a bill for \$50 for the cardiograms and X-rays. In the winter I fell and broke my arm and had to go to the clinic. I had to pay \$50 again. That was exclusive of medicine. I still take pills with me for my heart and they cost me a bit. If we could get something it would be worth while.

The CHAIRMAN: Thank you very much. I think the members have got your idea pretty clearly. It is often referred to as outpatient treatment at the hospital, and you have to pay for it. It does not come under a lot of the provincial programs. The committee understands this and I thank you all, Mrs. Wainford and all members for making your point so clearly. We will see what consideration can be given to it. Perhaps something can be done. As far as legislation is concerned, I doubt if we would have any authority to do it. I would also thank the officials of the department who came this morning. This was a courtesy meeting so that these ladies could give their views.

Mr. LALONDE: A special meeting.

Mr. BROOME: I think you should explain that we had no authority whatever for this meeting. It is off the record.

The CHAIRMAN: We appreciate that. You have presented two or three very important points and I can say that the committee is very sympathetic to you on the medicine point and the other points raised. We will see what we can do. You have asked that it be done this session, but we cannot say what can be done. We will give it whatever consideration we can.

Mrs. WAINSFORD: Do you think it would be very wise that we should meet cabinet ministers. because these are the people who tell us about money matters. In all our years experience we have not met cabinet ministers. I am very disappointed that the Minister of Veterans Affairs did not come this morning.

Mr. MCINTOSH: I think you should see as many cabinet ministers as possible.

The CHAIRMAN: I do not think we should suggest that, but if you went to the minister you might see some members of the cabinet.

Mrs. WAINSFORD: Since this is going on the record, I will say that the ministers and many of the others are always too busy to see the widows.

Mr. HERRIDGE: All the members of this committee are very sympathetic to your cause, and it has been of interest to us to have had this discussion. You have given it to us in a vivid way, and you have shown your fitness to illustrate these things from your personal knowledge, which we could obtain only by your presence here.

Mrs. WAINSFORD: I wrote and asked the minister if he could spare a few minutes.

Mr. BROOME: The cabinet meeting goes on all the morning until one o'clock, and they could not come.

TUESDAY, May 2, 1961

The CHAIRMAN: Ladies, if we have any ladies present, and gentlemen, will you come to order. Welcome back.

The first thing I would like to do this morning is to announce that we have heard from four delegations. Is it the committee's wish that we shall hear those delegations who wish to be here during our sittings dealing with estimates?

Mr. STEARNS: Who are they?

The CHAIRMAN: As yet, we have not heard from all groups.

The steering committee will decide when we shall hear them.

I would like to have a steering committee meeting at about a quarter to eleven this morning. It will not take too long.

At this time I would like to say that we have only heard from the war amps of Canada, the federation of British Canadian veterans of Canada, the Canadian council of war veterans associations and the Canadian corps association. There is a possibility that the Hong Kong group may wish to come.

At this time, gentlemen, I am ready to receive a motion.

Mr. PUGH: Mr. Chairman, I move that we hear them.

Mr. WEICHEL: I second the motion.

The CHAIRMAN: It has been moved by Mr. Pugh and seconded by Mr. Weichel that delegations requesting to be heard before the veterans affairs committee, will be heard on dates which will be agreeable to the committee. Would all those who are in favour of the motion signify by saying yea? All those opposed? I declare the motion carried.

The first thing on our agenda this morning is to welcome our minister. As this is our first meeting on the estimates this year, we would like the minister, if he would, to give us a short statement of anything he has in mind which would be beneficial for us to hear. I know the minister is a busy man, so I will not spend any more time in introducing him.

Hon. Gordon CHURCHILL (*Minister of Veterans Affairs*): Mr. Chairman and members of the committee, I am pleased to be able to attend your initial meeting in connection with the department's estimates. I looked back to last year's proceedings to see what Senator Brooks had said to the committee, under similar circumstances and noticed that he made just a number of general remarks, without actually going into details concerning the work of the department. I thought that perhaps it would be a good idea if I followed that same course today. As the officials are here, and will be giving you all the detailed information later on, which you will require concerning the estimates of a very large and far-ranging department, I think it would avoid repetition if I were to speak to you as I have proposed. Anything that I could do would be simply to make some general remarks concerning the work of the department, and I thought perhaps I would save that for the House of Commons, when the estimates go back to that place.

The value of the standing committee on veterans affairs has been proven by the work you have done over the last several years, and the work you are doing this year.

I found benefit from meeting with you on an earlier occasion when we were considering the Pension Act, and I hope to be able to attend some of your meetings when you are dealing with the estimates.

I think great value arises from the fact that most of the members have served now for several sessions on this committee. Gradually, you have acquired a great fund of information with regard to a department which is very important.

I am finding out things concerning the department, which were not clear to me before, although I used to put a great deal of time on the study of veterans affairs in days gone by. However, when you consider the number of veterans that there are in this country, and the extent of the activities of this department, it is not possible for any one person in a short while to know all the things that this department does. Then, over and above that, there are the so-called marginal cases, where veterans are concerned, which causes the department officials a great deal of extra work and care. I find, also, that these marginal cases are taking up a great deal of my time as well.

I would hope, and I would ask the committee in the course of its investigation of the estimates of the department—which means investigating the work of the department branch by branch—that if they reach a conclusion that some things might be done differently than they are now, I would be pleased if they would let me know. I have not found that this department is averse to change and improvement. I think, perhaps, you have reached this same conclusion in other years. Nor do I find that the problems of veterans can be permanently settled. Their conditions appear to change, and although you may be of the opinion that you have reached a solution with regard to one aspect in veterans affairs, some change occurs and some new light is cast upon a problem, as the result of which alterations have to be made.

So, I hope that the committee, investigating the affairs of the department branch by branch will, if it sees fit, suggest any changes that may improve the situation for the veterans, or recommend changes that should be made to make it more convenient for the members of the department to serve the veterans more effectively. I hope you will bring that to my attention as well. It works both ways.

Mr. Chairman, those are the things I had in mind when I was thinking over this particular problem. I do not think I will go into any greater detail at this time. The deputy minister is here with his appropriate supporting officials. I presume that at this meeting a general outline will be given of the department, as well as the way in which it operates through these various branches, and then, at subsequent meetings you will consider the expenditures which are involved.

In conclusion, Mr. Chairman, I might say that although the expenditure for the Department of Veterans Affairs is large, and looms especially large in the opinion of some people, nevertheless I think it is important to bear in mind that none of these expenditures would have been required at all, had it not been for the difficult circumstances in which our country found itself on two occasions during our lifetime.

I think we must always bear in mind the sacrifice made by the servicemen of Canada who preserved for us the freedom which we now enjoy. I find that once in a while people tend to take it for granted that the conditions we now live under have just come about without any effort or any sacrifice. It is only by casting back our minds, without dwelling too long on it, to the sacrifices made by the men in the first war, as well as those in the second war, that we sometimes are brought up with a bit of a shock to realize that freedom has been won for us, and it can only be maintained by unceasing vigilance.

I do not spend too much time reading about warfare, but each year I do a certain amount of reading with regard to the first and second world wars, as well as, of course, other wars. I find that it is a good reminder of the things that have happened in the past.

I might say that I have just finished reading a book on the activities of the navy in the second world war, written by Capt. Roskill. It is the best account of the activities of the navy that I have seen to date. As a member of the army, I have to confess that there are more things done by the navy than I was aware of during the course of the war. This is partly due to the fact that the navy is a silent service and publicity was not given to their activities, and partly because we ourselves were rather busily engaged and, as a result, were not aware of all the other things that were going on during the course of that struggle.

However, having just completed reading Capt. Roskill's book, I must confess that I continue to have a great admiration for the work of the men in the navy. I am also greatly impressed by the tremendous sacrifice that was made in order to make possible the victory which occurred in 1944-45. I think that type of sacrifice is basic to our consideration of veterans' problems.

Mr. Chairman, my conclusion has been rather extended. Also, it occurred to me that we sometimes find that we get a little impatient with those veterans whose cases are not too clear, and, at times we may think that they are exaggerating the difficulties which face them. It may well be that there are a few who do exaggerate their problems. However, back of it all I think lies the fact that tremendous sacrifices were made by the men who served, and it is our duty, as temporary guardians of their welfare, to see that things that are reasonable are done on their behalf. That is the way in which I look at the Department of Veterans Affairs. That is the responsibility which I think weighs upon members of parliament, and I am very pleased to have the interest and support of the members of the committee of veterans affairs in this continuing task, which will go on for another one, two, or three generations.

The CHAIRMAN: Thank you very much, Mr. Minister.

As the minister would like to return to the cabinet as soon as possible, if there are any questions which you would like to ask him, would you do so as quickly as possible.

Mr. HERRIDGE: Mr. Chairman, I was very interested in the minister's remarks in connection with exploring the activities of the various branches and of the officials, and that we should make any recommendations that we thought necessary by way of suggestions for him, and so on. Do you mean that these should be made in our final report?

Mr. CHURCHILL: I will leave that to the judgment of the committee, Mr. Herridge. You might want to make them to me, in person. All I was saying was that, as far as I am concerned, I would welcome any suggestions you care to make, and I think the same attitude prevails among the officials of the department.

The CHAIRMAN: Have you a question, Mr. Carter?

Mr. CARTER: I would like to say, Mr. Chairman, that we appreciate very much the minister's remarks and his invitation for us to make suggestions about how we can help the department or meet the needs of servicemen.

The minister said something about the deputy minister following up with an outline of organization. In this regard, Mr. Chairman, the thought occurs to me that most of us have been on this committee now for some time, and I think perhaps we are pretty familiar with the general setup. Perhaps it might save the time of this committee and expedite the work of it if what the deputy

minister has to tell us would be more or less the changes that have taken place in the structure of his department, and in the activities of the department since our last meeting a year ago.

I am particularly interested in following up the extent of the problem. We know that world war I veterans are passing off the scene, and that world war II veterans are in greater numbers now coming under the benefits of the veterans charter. I certainly would like to know what changes in that respect have taken place during the past year?

The CHAIRMAN: Thank you very much Mr. Carter.
Have you a question, Mr. Weichel?

Mr. WEICHEL: I have no question to put at this time, Mr. Chairman; however, I would like, as a pensioner, to express my thanks to the minister and all officials of the department for the attention that we have received to date.

The CHAIRMAN: If there are no further questions, I am going to call item 453. Whenever the minister wishes to go, we will give him permission to go.

~ 453. Departmental Administration \$2,550,941

The CHAIRMAN: At this time we will call on the deputy minister.

Mr. LENNARD: Mr. Chairman, before you call on the deputy minister, did we not have the estimates of the veterans affairs committee broken down in former years in different forms?

The CHAIRMAN: That was by the department.

Mr. LENNARD: Well, did we not do it last year?

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): This will be coming up in a minute, Mr. Lennard.

Mr. CARTER: Mr. Chairman, do we have a set of figures on the actual expenditures for the last year, as compared with the estimates?

The CHAIRMAN: I think the best thing to do at this time is to call the deputy minister.

Colonel Lalonde, would you speak to the committee at this time, in connection with whatever you have to outline to us? Also, you might care to introduce your officials. I know that most of them have been with us before; however, we have one or two new ones.

Mr. LALONDE: Thank you very much, Mr. Chairman.

Mr. Minister, and gentlemen, although our yearly appearance before this committee probably serves as a gentle reminder that time goes by very fast, and none of us is getting any younger, I can assure you that we all look forward to these meetings, and that it is always a renewed pleasure for the officials of the department to work closely with you in this aspect of your responsibilities as members of parliament.

Also, I am sure that all the officials would want me to take this opportunity to thank you very much for the words of praise and appreciation which you have been kind enough to bestow upon our efforts in the past. I know they would want me to renew our pledge to you to continue to do our very best in the future.

Because we deal every day with cases which present many similarities, it is always a challenge to us to ensure that, at all levels within the department, we do not let a spirit of routine affect our handling of veterans legislation, and our own administrative problems. To achieve these results, it has been, and still is, our policy to consider each case as a new one, and to think in terms of an individual person rather than in terms of just another file. In other words, it is our desire to provide a personal service to each and every one of our clients,

whether they be members of parliament, veterans associations, individual veterans, or veterans' dependents. Admittedly, we are not successful in achieving this every time, everywhere; however, I can give you my assurance that we are all making a determined effort to do so.

The policy I have noted is reflected in the type of organization and in the personnel establishment for the department which we now submit to your scrutiny. This policy explains the fair amount of decentralization which we try to apply to the operations of the department.

As Mr. Carter has said, most of you are already familiar with the organization of the department, and I do not suppose it would be appropriate for me to repeat the details of this organization at this time. All I need to say is that there has been no change in the organization pattern during the past year. However, in order to help you in considering the expenditures, and for the purpose of easy reference, I would like to ask the secretary to distribute to you copies of a blue folder, as well as of the annual report of the department, which, I believe, will provide you with the same details which you had last year.

Gentlemen, if we take the folder first, perhaps I may explain briefly what it contains. On the lefthand side you have an organization chart covering head office. This is exactly the same organization as we had last year. Perhaps it would be appropriate at this time for me to introduce the various officials which are shown on this chart. For your convenience, you will note that next to each block we have listed the vote numbers for which each director is responsible, and, when these are called before the committee, those people will be here to discuss these particular votes in detail.

First of all, there is the Canadian pension commission. The chairman is here, and we will introduce his officials afterwards. You already have met the chairman of the war veterans allowance board during the discussion on the pension bill. He is Mr. Cromb. The assistant deputy minister, Mr. Mace, is on my right. Under departmental administration, the departmental secretary is Mr. Black. The chief of information is Mr. Way. The director of personnel and administrative services is Mr. Hodgins. I believe this is Mr. Hodgins' first appearance before this committee.

The director of finance, purchasing and stores is Mr. Walsh. The director of engineering, accommodation and transport, is Mr. Davidson. The director of legal services is Mr. Taylor. The chief of methods and inspection division was so good that he got a promotion with the civil service commission, and we are in the process now of trying to find as good a man to replace him.

I have just given you the names of the four administrative directors, gentlemen. On the righthand side of the chart you will see the four service branches. The first one is treatment services, Dr. Crawford; the Veterans Land Act, Mr. Pawley; the veterans welfare services—again, his first appearance in this new role—Mr. John Rider. Mr. Rider was our district administrator in London, and he won the competition to replace Mr. Parliament, who retired last year. In connection with the veterans bureau, Mr. Reynolds is the chief pensions advocate. Gentlemen, these are all the senior officials who will appear before you when you deal with their particular vote.

Underneath the organization chart, on the lefthand side of the folder again, we have listed the approved establishment for the department for the past three years, in order to give you some indication of the fluctuations we have had on the establishment by groupings. As you will see, we have a decrease of about 149 positions between the approved establishment for last year and the establishment for the coming fiscal year.

We shall discuss those changes in detail when we deal with the appropriate votes.

On the right hand side, again, we have attempted to give you a comparative statement of the details of the estimates for 1961-62 as compared not only with the estimates for 1960-61, but also with the latest forecast of expenditures for the fiscal year 1960-61.

Now, I would like to point out to you that this statement does not include the increase resulting from the recent amendments to the Pension Act; also, it does not include certain items which were included in the final supplementary estimates for 1960-61.

As a result you will find some cases where our forecasts of expenditures are higher than our estimates for 1960-61.

For example, if you look at the construction vote on page three, you will see that our total appropriation for 1960-61 was \$5,587,000, whereas the forecast of expenditure is \$6,070,000. The difference will be covered in the supplementary estimates.

We have not included the amount necessary to cover increase in pensions, because this will be done through the supplementary estimates for 1961-62 which are in the process of being prepared.

Because of these variations, I suggest that perhaps it is more accurate for the committee to use as a basis of comparison with the detailed estimates for 1961-62, not the estimates for 1960-61, but the forecast of expenditures for 1960-61.

Evidently we are budgeting about a year and a half ahead of time and while we are doing our best, there is bound to be a certain margin of error, whereas there is no margin of error in the forecast of expenditure.

Now, I shall review briefly the total estimate situation including loans and investments. The 1961-62, main estimates total \$324,323,744.

The forecast of expenditures for 1960-61 amounts to \$318,819,280.

Therefore, although there appears to be no increase under certain items between the 1960-61 estimate and the 1961-62 estimate, there is an increase of approximately \$5½ million between the forecast of expenditures for 1960-61 and the 1961-62 estimates.

Breaking down that increase under what I consider to be four main groups of expenditures, it would come out as follows: administration, including treatment services, with an increase of \$1,450,000; and that increase is due entirely to the full annual cost of the class by class salary revisions which were made at various times during the past year. This increase is necessary despite the fact that we have a reduction of 149 positions on the establishment.

There is no required monetary increase for any of the administration aspects of the estimates, because wherever we have a small increase, it is offset by a decrease somewhere else.

The second main group is veterans benefits other than pensions. That includes re-establishment credits, children of war dead, educational assistance, war veterans allowances, and the assistance fund. There we have an increase over the forecast of expenditures in the sum of \$1,350,000. And that increase results primarily from the continuing growth in war veterans allowance and assistance fund payments. These two, incidentally, make up the bulk of this item.

Pensions will be dealt with by the chairman of the pension commission.

Now, the fourth group constitute the loans, and these are entirely Veterans Land Act loans. The increase in the loans vote is \$3,650,000. That increase reflects the increased activity, and the higher level of loans under part three of the act, resulting from the amendment made to the Veterans Land Act in 1959.

The various activities which occurred during the past year would probably best be discussed when we deal with each aspect of the operations of the department. For instance, there is no doubt it will be interesting to see the trend in war veterans allowance payments and applications during the past year. But I think that perhaps in order to keep our discussions in an orderly fashion, the members of the committee may prefer to deal with these when they study those particular votes.

Under the circumstances, Mr. Chairman, perhaps it would be better if I did not attempt to cover now all the various activities which may have occurred during the year under each heading, but rather to let the director of each of the branches tell you exactly what highlights may have occurred within his own area of work during the past year. Thank you very much.

The CHAIRMAN: Thank you very much, Col. Lalonde.

Mr. CARTER: I wonder if before we go on Col. Lalonde would repeat those figures. I think he said \$324 million, but I do not find that figure anywhere in the sheet.

Mr. McINTOSH: It is a combination of the last two sheets.

Mr. LALONDE: Yes, it is an addition of the totals on pages 6 and 7. The last vote is always a separate thing in the estimates.

Mr. HERRIDGE: Mr. Chairman, when Col. Lalonde was dealing with the increases and decreases of departmental staff last year, he used the term "bodies". This morning he used the term "personnel". Is there a change in nomenclature policy in the department since last year?

Mr. LALONDE: No, Mr. Chairman, there is no change. Perhaps they were more active this year.

The CHAIRMAN: Does any member of the committee wish to speak on administration or ask questions about it?

453. Departmental Administration 1961-62 \$2,550,941

Mr. HERRIDGE: I would like to ask the deputy minister what opportunity the director and senior officials get to visit the various establishments throughout the country and get first hand knowledge of local conditions, such as at hospitals and treatment centres?

Mr. LALONDE: Mr. Chairman, we attempt to visit every district once every two years. We do not succeed all the time, especially since it is hard for a lot of us to get away from Ottawa during the sessions, which, as you know, now take up a fair amount of time.

So I admit that we do not have the opportunity to visit the field offices as much as we would like to, and to keep abreast with our daily work.

The heads of the various branches during the past year have all visited the districts—not all of the districts—but they visited a number of districts and that gave them a pretty good idea of the general trends. It does not allow them, however, to know every local problem, unless they visit all the districts.

Quite frankly, we wish we could visit more of them, but since we are not able to do as much as we would like to, we have adopted the next best method which we think is available, and that is to bring people from the field to Ottawa periodically. Each regional administrator—and as you know there are five of them covering the whole of the country—each regional administrator spends a week in Ottawa every four months, in order to put us into the picture, and to tell us what the local problems are, and to discuss with us policy changes in either legislation or administration, leading to recommendations to the minister.

Therefore, in fact, although we do not have the personal contact which we would like to have with every member of the staff in the field, we at least know what is going on, and we get first-hand information about their problems.

Mr. CARTER: I wonder if Col. Lalonde could tell us about this decrease of 149 people on their total staff. I would like to know if that decrease has taken place wholly here in Ottawa, or if it is spread fairly generally among your field staffs.

Mr. LALONDE: We will be giving you the details of the decreases under each vote. You will note, for instance, that there is a decrease under departmental administration of 21 bodies—or perhaps I should say 21 persons.

Mr. CARTER: Yes.

Mr. LALONDE: These are people at head office. The other decreases occurred in the field except for the Canadian pension commission and the Veterans Land Act, where both head office and field staffs are joined together under one vote.

Mr. WEICHEL: Under item ten for advertising and publicity I see that it has not varied very much throughout the years.

Mr. LALONDE: You are speaking of the item of \$11,500?

Mr. WEICHEL: Yes, that is right.

Mr. LALONDE: This enables us to do two things: to print the pamphlets dealing with certain aspects of the legislation; for instance, we have a pamphlet on the war veterans allowance; we have one on treatment services, and one on the Veterans Land Act.

Mr. WEICHEL: There is one on pension increases.

Mr. LALONDE: There is also one on the Children of War Dead Education Assistance Act. These are acts which are all current, in respect of a lot of people, and we have had to put in these pamphlets, in layman's language, what the conditions of eligibility are as well as what all the other conditions may be. These are distributed from all our district offices to those who are interested.

Also, we have contracts with the veterans publications, such as the *Legionary*, the *Advocate*, and the *Fragment*, wherein we publish regularly certain advertisements dealing with changes in legislation or policy. That does not leave us too much for straight publicity. However, this is all the money we have, and we make it do.

Mr. WEICHEL: I was just thinking, Col. Lalonde, that the \$11,500 seems very reasonable for advertising and publicity.

The CHAIRMAN: Have you a question, Mr. Beech?

Mr. BEECH: Mr. Chairman, I notice quite an increase in this item covering campaign stars, and medals. Could you explain the sudden increase?

Mr. LALONDE: This increase is due entirely to one thing, and that is the fact that during the course of last year, in the process of distributing medals to those who had not claimed them, we ran short of two types of medals to which everyone is entitled—for instance, the 1939-45 star—and we had to have a new supply made up. We were told that they would have a lower priority than the supply of money at the mint. As a result, we had to stop our distributions because we did not have those medals. We do expect to have them this year, and we think we will be able to resume the amount we were expecting to send out last year, but could not because of this shortage.

Mr. HERRIDGE: With respect to departmental publications and publicity, I do want to suggest that I think there should be a later edition of the regulations concerning war veterans allowance. It is very awkward dealing with a booklet which is out of date. You have to point out that it is changed, and so on. I suggest that it would not be necessary to publish an expensive booklet, but that information could be run off on quite a simple foolscap sheet, which would be quite easy, and could be included in an envelope. I just make that

suggestion. Could the deputy minister tell us what the policy is with respect to publications of that sort, which are used by members, legion branches and others to inform the veteran of the legislation in simple and direct terms?

Mr. LALONDE: Mr. Herridge, we do try to keep up to date. It is not possible to recall every pamphlet and amend it. However, when we have a change in legislation or policy, such as we had a year ago on war veterans allowance, we immediately issued a notice which went out with the cheques of those who already are recipients and, in addition, we put out an amendment sheet which was pasted to the booklet which we were still handing out to those who applied for war veterans allowance.

The danger of issuing that kind of information is that it can either be shortened to the point where nobody understands it, or it can lead to a wrong impression or interpretation on the part of recipients, thereby doing a disservice to that person, rather than a service. Therefore, we do attempt to keep up to date. The chief of information maintains a constant review of the booklets. He tells me that when he has enough changes to issue a new edition, he does. We do that, and we have done that in the past. We have to try and anticipate the timing of the new booklet with whatever parliament will approve as new legislation. This sometimes makes it a little difficult for us, but I can assure you, we do not like to have out of date booklets in circulation. Mind you, we cannot recall those which have already been issued.

Mr. ROGERS: I may be dumb this morning, Mr. Chairman, but what is the significance of these numbers? They are not voté numbers, are they?

Mr. LALONDE: There are object numbers within each vote, for purposes of reference. We have to divide these into standard object numbers, as laid down by the comptroller of the treasury.

Have you a question, Mr. Carter?

Mr. CARTER: Mr. Chairman, may I revert to this decrease in personnel in connection with corps of commissionaires services. Last year you spent \$31,500, which was exactly what was allowed. However, this year you have come down \$500. Are you going to cut these poor fellows' rates?

Mr. LALONDE: Mr. Carter, this is a bad guess on our part, and we are going to have to ask for more money in the supplementaries under that vote. Certain things which we thought would happen last October have not happened and, therefore, we require the same amount and, perhaps a little more, because there has been an increase in the salaries of commissionaires for Ottawa.

Mr. CARTER: Well, I am glad to hear that.

Mr. ROGERS: How many commissionaires are employed in Ottawa?

Mr. LALONDE: I cannot give you the exact number of commissionaires employed, Mr. Rogers. We have three posts at the veterans affairs, main building, on Wellington street, averaging 293.3 hours per week. This is the way our contract with the corps of commissionaires reads. They will supply enough people to provide that coverage. We do not know how many people they use. We have one post at the war services records building, averaging 128 hours per week, and we have one post at the X-ray film library, averaging 44.3 hours per week.

The CHAIRMAN: Have you a question, Mr. Herridge?

Mr. HERRIDGE: Mr. Chairman, could the minister inform the committee if the veterans' preference is strictly enforced with respect to civil servants employed by the department, and with respect to casual labour employed around the hospitals or other institutions?

Mr. CHURCHILL: Mr. Herridge, I am not sure that I can give a direct answer to that. However, we could make inquiries.

Mr. LALONDE: That, Mr. Chairman, requires some explanation, because there are three types of personnel involved in this question; 1) the civil servants who are all hired through the civil service commission, where the veterans' preference is statutory; 2) the prevailing rate people who are engaged in the field through the national employment service, the veterans' preference is again exercised if there are veterans available in that particular trade; 3) in our department the same thing applies to casual labour, where people are employed for short periods and hired in the field.

However, there are areas where, at this stage, even our department cannot secure veterans with the veterans' preference in certain specialties. For instance, I am thinking of the medical field, when we are looking for young doctors. I think we pretty well have exhausted the supply of doctors who graduated right after service, and sometimes we have to employ doctors or nurses who have no veterans' preference. But, where we can, I can assure you that we exercise the veterans' preference in the two types of employment about which we have something to say. As far as civil servants are concerned—and these are, of course, the great majority—the statutory preference is exercised every time on entry into the civil service.

Mr. HERRIDGE: In that connection, could the minister assure the committee that the unemployment insurance commission, when it employs persons on work under the prevailing rates classification, make sure that they examine the records and know that these persons are Canadian veterans. I had a rather unusual experience lately. A lady came to my office—which is somewhat unusual—and she had a form which her husband had filled out and taken to the unemployment insurance office. She said to me that she was told that if she could get a member of parliament to sign it, that it would be all right. The application was in connection with a job with Veterans Affairs in Ottawa.

When I was perusing the form, I thought to myself: Well, this person does not seem to me to be a Canadian veteran. The form was filled out, "service in Africa." I asked what corps her husband served in. She said Rommel's Afrika Corps. Now, that was not mentioned. I said, first of all, that I would not sign a form, as I did not interfere in that type of thing, and that on no account would I sign this form. From reading the form you could not tell the service in which he had been engaged, and she has just come from the unemployment office in Ottawa. She told me that she was advised to have a member sign the form, and that it would be quite all right. A person who was not too well informed on these matters could read this form, and easily assume that this was a Canadian veteran.

Mr. Minister, I think this is a matter which should be investigated.

Mr. PUGH: It is lucky that she did not pick someone who was gullible.

Mr. HERRIDGE: Well, I am gullible in some respects, but not to that extent.

Mr. CHURCHILL: Thanks for drawing that to our attention. We will look into it.

The CHAIRMAN: Are there any further questions on item 453?

Mr. SMITH (*Lincoln*): Mr. Chairman, in connection with these stars and medals, I would like to know what percentage of these medals still have to be claimed.

Mr. CHURCHILL: They are still claiming for the first world war.

Mr. LALONDE: Perhaps you are not aware, Mr. Smith, that two years ago the department changed the policy with respect to the distribution of campaign stars and medals. Prior to that every veteran had to fill an application to receive his campaign stars and medals. There were a great number of medals unclaimed, so we decided to send them out without an application, whenever we could retrace the veteran. We have done that now for the past

two years, except for that short hiatus when we ran out of one type of medal. Even at that we still have one million medals in stock.

Mr. HOWE: Mr. Chairman, I have a question in regard to travelling expenses. Due to the fact that there is going to be a change in the issuing of railroad passes, and my understanding that some of the departments of government have a number of railroad passes, could you tell me if there have been many railroad passes issued to this department by the railroads of Canada?

Mr. LALONDE: As far as I am aware—and I am not including the minister or the parliamentary secretary—there is only the chairman of the Canadian pension commission and myself who used to have a pass, and the amount of travel we do by rail is pretty insignificant; we always travel by air. It will not make any difference.

Mr. ROGERS: Could I have an explanation in connection with the rental of office machines? Is this a machine which you do not use every day?

Mr. LALONDE: Oh, yes. Perhaps Mr. Mace could give you a better explanation of that.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Rogers, this is the rental of the 13 I.B.M. machines, which are used by our machine tabulation section of the research and statistics division. This is punch card equipment which the department has used for many years.

The CHAIRMAN: Are there any other questions under this item? If not, we will leave this item open, as we usually do not carry the first item, under administration, until the end.

Mr. HERRIDGE: I have another question—and I hope you do not think I am asking too many questions this morning. However, I am a great believer in departments of government, particularly the federal government, doing all they can to inform the public of their activities. The lack of knowledge which you find among people, particularly those living away from the scenes of government, is amazing. Do the chiefs of departments ever take opportunities to address rotary clubs, service clubs or women's organizations in order to give information as to the administration of the Department of Veterans Affairs? Do they accept invitations for that purpose?

Mr. LALONDE: Mr. Herridge, I was just going to reply that whenever we are invited and wherever we are invited, we go very gladly. All of us address veterans groups from time to time. I have spoken to some service clubs. I must admit that over the past few years we have not had very many invitations from service clubs. I imagine this is part of the overall trend in that 15 or 16 years after the war this is beginning to look a long way off. There is a problem there. I think probably the members of parliament do more than we do in that field because, in their constituencies, they all meet various veterans groups, local branches of organizations, and I know that this keeps alive the question of veterans affairs.

I can assure you that we do not refuse invitations. I, myself, will be spending next Sunday at Renfrew for a district rally of the Canadian Legion.

Mr. HERRIDGE: I think it is a good policy.

The CHAIRMAN: Shall we leave item 453 open and pass on to 454?

Agreed.

454 District services—administration \$3,556,427

The CHAIRMAN: We shall adjourn soon and have a meeting of the steering committee, if that is agreeable. However, we have a few minutes left, and if there are any questions, you may pose them now.

Mr. CARTER: Mr. Chairman, I would like to draw attention to the fact that the provision for the corps of commissionaires has gone down from last year.

The CHAIRMAN: Under which item is that?

Mr. CARTER: Under item 454. It has gone down \$4,000. Does that indicate a trend of dispensing with the services of these people?

Mr. LALONDE: No, Mr. Carter, there is no trend towards dispensing with the services of the commissionaires in the department. However, there is a trend within the government for economy of space and in many cities the department of public works has built new buildings and gathered into these buildings the various departments which were located in separate units before. This has happened in Toronto during the past year. As a result, instead of having to guard four or five buildings, the commissionaires now guard only one. That means either an over-all reduction in the number of posts, or a reduction in our estimates, because the department of public works assumes the responsibility for that particular building.

Mr. CARTER: May I follow that up, Mr. Chairman. I think it is true that in Newfoundland the services have been gathered together in a new public building, and I think there was a lay-off of one or two of the commissionaires who used to be on that staff. Although it is true that they are in the one building, we do have the position where many people do come in from isolated localities, and they are not endowed with very much education. In some cases they are not able to find their way around and now these people are at the mercy of the elevator boy, who has to go out and show them around. I think the service has deteriorated, due to the fact that these commissionaires have been laid off. As the deputy minister has pointed out, it has been done as a measure of economy. However, I am not sure that it is a good move.

Mr. LALONDE: There is still a post of commissionaires for St. John's.

Mr. CARTER: But, there is just one, and there used to be three of them.

Mr. LALONDE: Well, it is 168 hours per week, so I think that you might find that there is more than one commissionaire.

Mr. CARTER: Could you make an inquiry on that?

Mr. LALONDE: I will inquire into it.

Mr. WEICHEL: I notice in connection with the district services the administration costs more than the departmental administration. Would that be due to the difference in salaries?

The CHAIRMAN: He is referring to item 1. Under item 1 the salaries are larger than they are under item No. 1 for headquarters.

Mr. LALONDE: Do you mean the difference in salary, or the total?

Mr. WEICHEL: I was thinking of the total, and then I asked if the salaries would make the difference in the total.

Mr. LALONDE: Actually, you have more people employed in the districts than you have at head office. That is why you have a higher amount for salary.

Mr. BENIDICKSON: Could you give us just a quick explanation as to who would be included in departmental administration under 453, who would be under district services administration, 454, particularly in relationship to figures 455. I do not want to get into 455, but it has the largest number of employees of the three groups. If you had somebody serving in the welfare services, but stationed in Ottawa, would they be excluded from item 453?

Mr. LALONDE: Mr. Benidickson, if you would look at the chart which we distributed at the beginning, you will see what is covered under vote 453 under the heading, "Departmental Administration" the secretary's office, the information services, personnel, finance, engineering, legal, and methods and

inspection. These are the only items in that vote. Then, each branch is a vote in itself, including the people within that branch at head office and all the people in the districts. In addition to that, there are a number of people working in district offices who do not come within the branches, as, for instance, the district administrator, the purchasing agent, the personnel officer. These all represent people who are included in what we call departmental administration at head office.

Mr. BENIDICKSON: Even though they are in the district offices?

Mr. LALONDE: Yes. So, they are included in vote 454. All the administrative personnel are either in 453, if they are at head office, or in 454, if they are in the district.

The CHAIRMAN: Have you a question, Mr. Beech?

Mr. BEECH: Who is covered under unemployment contributions? Is it just casual help and prevailing rate employees?

Mr. LALONDE: That is all, sir.

The CHAIRMAN: Are there any other questions under item 454?

Mr. CARTER: I have a couple of questions to ask and, perhaps, we might let this item stand for the time being.

The CHAIRMAN: We will allow this item to stand. We will adjourn until 9.30 on Thursday morning.

I would ask the members of the steering committee to remain for a few minutes.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

MAY 4, 1961

ESTIMATES (1961-62)
OF THE DEPARTMENT OF VETERANS AFFAIRS

WITNESSES:

Mr. L. Lalonde, Deputy Minister of the Department of Veterans Affairs;
Mr. F. T. Mace, Assistant Deputy Minister; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission; Mr. L. A. Mutch, Deputy Chairman; and Mr. F. G. Stockley, Executive Assistant.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai,
Batten,
Beech,
Benidickson,
Broome,
Cardin,
Carter,
Clancy,
Denis,
Fane,
Forgie,
Fortin,
Herridge,

Jones,
Jung,
Kennedy,
LaMarsh (Miss),
Lennard,
MacEwan,
MacRae,
Matthews,
McIntosh,
McWilliam,
O'Leary,
Ormiston,
Parizeau,

Peters,
Roberge,
Robinson,
Rogers,
Smith (*Lincoln*),
Speakman,
Stearns,
Stewart,
Thomas,
Webster,
Weichel,
Winkler.

R. L. Boivin,

Clerk of the Committee

MINUTES OF PROCEEDINGS

THURSDAY, May 4, 1961
(11)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Batten, Broome, Carter, Fane, Herridge, Jones, Lennard, MacEwan, McFarland, Montgomery, O'Leary, Pugh, Rogers, Stearns, Thomas, Weichel, Winkler.—(18).

In attendance: Mr. L. Lalonde Deputy Minister of the Department of Veterans Affairs; Mr. F. T. Mace, Assistant Deputy Minister; Mr. T. D. Anderson, Chairman of the Canadian Pension Commission; Mr. L. A. Mutch, Deputy Chairman; and Mr. F. G. Stockley, Executive Assistant.

The Chairman called Item 454—District Services, and the Committee continued to question the witnesses.

Item 454 was adopted.

The Chairman called Item 468 and Mr. T. D. Anderson, who introduced the officials of the Canadian Pension Commission.

Item 468 was adopted.

The Chairman called Item 469 and the Committee continued to question the witnesses.

Item 469 was adopted.

Item 470 was called and adopted.

The Chairman expressed his appreciation, as well as that of the Committee, for the co-operation given by the officers of the Department of Veterans Affairs and of the Canadian Pension Commission.

At 10.50 o'clock a.m., the Committee adjourned until 9.30 o'clock a.m. on Tuesday, May 9th, 1961.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, May 4, 1961

The CHAIRMAN: Gentlemen, we have a quorum. Will you please come to order.

At our last meeting we were dealing with item 454. Are there any further questions on that vote?

Mr. CARTER: Mr. Chairman, I have three short questions, and one is in connection with motor-vehicles.

If I remember correctly, a year or so ago there was a discussion about the merits of maintaining our own vehicles, or of entering into a contract with some companies on some sort of rental system. Could we be brought up to date in that connection? Could you tell us what arrangements have been worked out, if any, and with what results?

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Carter, the overall policy in regard to the operation of motor-vehicles is, of course, the responsibility of the government motor-vehicle committee. The department can only follow the rules and regulations which this committee lays down.

I understand that they made a study of this very feature of operating motor-vehicles and, apparently, they found that it is not economical to do so unless you have very high mileage which are beyond those incurred by the department.

At the moment we would have no authority to do it on a rental basis. Our own experience is, that whereas on a one-year rental basis, which would be the only one which could be entered into, the average cost would be in the neighbourhood of 15 cents a mile. On the basis of last year's experience, we find that the cost of operating our own vehicles was in the neighbourhood of six or seven cents a mile. On that basis, the economics of it speaks for itself.

Mr. CARTER: Has there been any change in the rates you pay to personnel who operate their own cars?

Mr. MACE: No. Once again, the mileage rate of what we refer to as P.O.M.C.—privately owned motor cars—is laid down in the treasury board regulations, and it depends upon whether or not the individual carries the level of insurance. I think it is \$100,000 general coverage. The rates are 11 cents for the first 5,000 miles; 10 cents from 5,000 to 8,000 miles, and 8 cents, over 8,000 miles.

Mr. CARTER: And do those rates apply all across Canada, irrespective of the region?

Mr. MACE: Yes.

Mr. CARTER: That is very good for districts which have good roads, but I do not think the poor fellow in Newfoundland would make much money out of it.

Mr. BROOME: You are not supposed to.

Mr. CARTER: I do not think he would even break even, and he is entitled to do that.

Mr. HERRIDGE: Mr. Chairman, in my opinion, there is something in what Mr. Carter says in respect of the difference in the types of roads. Has there

ever been any discussion of whether the roads, on the whole, were paved, gravelled, or just rough country roads? There is a big distinction, and your people travelling in our part of the country, unfortunately, will have to travel over a good many miles of quite rough and pothole roads.

Mr. LENNARD: You have to go in by boat, do you not?

Mr. BROOME: Does that mean that anyone in Ottawa would receive an extraordinary allowance?

Mr. HERRIDGE: Has there been any discussion as to the type of country in which the vehicle is used?

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Herridge, this matter has been discussed very often.

Mr. LENNARD: Every year.

Mr. LALONDE: By the same token that civil servants are paid on the basis of a national average, although there are differences in the cost of living in various provinces or areas within a province, the same principle applies to the payment of mileage allowances. The treasury board has set that rate on what we presume is an average national basis, taking into account that certain people would do a proportion of their travelling on good roads, and a proportion on bad roads, and this is what happens. It happens in British Columbia; it happens in Saskatchewan, and in Newfoundland. Some of our welfare officers travel from one city, which may be their headquarters, say Vancouver, for instance, 150 miles on good roads, and then 100 miles on bad roads. How are you going to draw the line when it is within the same trip?

Mr. HERRIDGE: There is another yardstick, which is more exact, and that is what we in British Columbia have to pay as a gasoline tax. There is a higher provincial gasoline tax in British Columbia, and that is a very fixed cost.

Mr. LALONDE: Although we do not set those rates, I presume that these things must be taken into account by treasury board when they set a national average rate.

Mr. BROOME: I think argument is silly on this sort of thing.

Mr. O'LEARY: With the exception of gasoline would this not be taken care of under repairs and equipment?

Mr. LALONDE: No, because repairs and equipment apply only to the cars which the department operates, and not to the cars owned by individuals. There are certain vehicles which the department owns and operates itself—vehicles which we might call, in use, such as trucks for the hospitals, station-wagons or busses for carrying patients between district offices and hospitals, and so on. These are departmentally-owned, but we are talking now about the motor-vehicles owned by individual employees.

Mr. BROOME: What is the rate allowed?

Mr. LALONDE: Mr. Mace mentioned that it was 11 cents for the first 5,000 miles, 10 cents from 5,000 to 8,000 miles, and 8 cents over 8,000 miles.

Mr. BROOME: Is that not in line with rates allowed by industry?

Mr. LALONDE: These rates were reviewed two years ago, were they not, Mr. Mace?

Mr. MACE: Yes.

Mr. LALONDE: I think it was in 1959, and, at that time they were increased, from 9 to 11 cents.

Mr. CARTER: Could I ask, Mr. Chairman, this question: In accordance with departmental policy, does the department encourage or discourage use of personnel using their own private automobiles?

Mr. LALONDE: We encourage officials who do a fair amount of travelling to use their own motor-vehicles; however, if they do not wish to do so, we have to supply them with a departmentally-owned vehicle. Most welfare officers and most Veterans Land Act field men use their own vehicles.

Mr. BROOME: Could I ask whether there is any uniformity between departments of government in allowances such as this, which must apply to officials in all departments?

Mr. LALONDE: Oh, yes, because this is the rate which is set by the treasury board for everyone.

Mr. BROOME: So this applies in all of the departments?

Mr. LALONDE: Yes, that is right.

Mr. LENNARD: Then, what is the use of chewing the rag about it all morning?

Mr. HERRIDGE: Mr. Lennard asked what was the use of chewing the rag about it all morning. If I may say so, these are factors that are brought out in the evidence, which may be considered by the persons setting the rates in the future. There are so many different circumstances under which these vehicles are driven, and I must think we are justified in bringing these matters to the attention of the committee.

Mr. LALONDE: Mr. Mace has mentioned that we operate departmental vehicles at the rate of 7 cents per mile and, therefore, until circumstances change, we have that spread between 7 cents and 11 cents, which probably enables most officials to run their vehicle with perhaps a slight margin of profit.

Mr. ROGERS: Does not the department receive a gasoline refund?

Mr. MACE: I am not too sure of your question, Mr. Rogers. However, as far as gasoline taxes are concerned, the department does not pay gasoline tax, so I think your point is that it would possibly be lower, in view of the fact that we do not pay a tax.

Mr. CARTER: I have a question on telephones and telegrams. In connection with the forecast, I see that the latest estimate is \$48,750 for expenditures, and that is exactly what you allocated last year. However, this year you have cut this down \$45,500. Has the department a policy as to where you draw the line between sending telegrams and letters?

One of the complaints in my province has been that not only the Department of Veterans Affairs, but all government departments are overly reluctant to send a telegram and, although I would not say that causes hardship, it does cause inconvenience in a locality where there is a very slow mail service. In a good many communities in my riding we have only a fortnightly mail service. A letter may be posted the day after that mail leaves, and, as a result, it lies in the central post office for another two weeks before it goes out; it is another two weeks on the way, and when the fellow receives the letter, he is unable to reply for another two weeks. I think in cases like that a telegram should be sent, in preference to letters. Even night letters would be preferable. Does the department have any policy to take care of a contingency of that kind?

Mr. LALONDE: Well, Mr. Carter, although we do make fair use of the telegraph system in the western provinces especially British Columbia, and for most of the eastern provinces, especially in Newfoundland, we seldom use telegrams in Ontario, Quebec, and Manitoba. However, as I say, we use them quite often for those places where we figure the mail will take one or one and one-half days in a centrally located province, but perhaps three days outside. I think it is fair to say that we use telegrams more for British Columbia and Newfoundland than we do for any other province.

The difficulty, in this respect, is in deciding whether we should use telegrams in each individual case we deal with in Newfoundland. I do not think we could lay that down as a rule. We use the telegraph system with our Newfoundland district office, but I doubt very much if they will send a telegram, let us say, situated 200 miles from St. John's.

Mr. CARTER: My complaint about the Department of Veterans Affairs and of other government departments is that they post letters and answer mail without any knowledge or information as to when that mail leaves, when, very often, they could make inquiries and find out when the mail to a certain isolated locality leaves, so that it will not be delayed another two weeks. In some cases, they write the letter the day after the mail has gone.

Mr. LALONDE: What you really have in mind is the correspondence between our district office and the veteran. If you agree, I will make a note of this and discuss it with Mr. Garrett to ascertain exactly what system he uses, in order, if necessary, to make the required adjustments there. I was thinking more of the use of telegrams between head office and the district office.

Mr. CARTER: Colonel Lalonde, I am thinking of the service between the district office and the veterans in the outlying settlements. I think that mail from head office in Ottawa to an isolated community in Newfoundland might reach it quicker than a letter from the district office in St. John.

Mr. LALONDE: I will take that up with Mr. Garrett:

Mr. BROOME: There is one further question I would like to ask, Mr. Chairman. Last year the deputy minister told us about the establishment of a methods branch to enable uniformity and efficiency in operation. Although there was a rather small staff, there was the idea that this branch might become more important, and that there might be an increase in the efficiency of operation of the department.

Would the deputy minister comment on the operation of the methods branch and whether favourable results with regard to reductions have been attained?

Mr. LALONDE: Yes, that is so, Mr. Broome. Personally, I am very pleased with the work done by the methods division, but since they have operated directly under Mr. Mace, I think he might be better qualified to answer that question in more detail.

Mr. MACE: Mr. Broome, unfortunately over the past year we have had some slight difficulty in obtaining adequate staff, and although I think we have an establishment, this coming year, of six people, at the moment we only have two. As the deputy minister said during the meeting on Tuesday, the civil service commission organization branch, which has just been formed, has stolen the chief of our methods branch. So, at the moment, we are without a leader. However, we have held a competition and hope to have a replacement soon.

The work of the methods branch over this past year is continuing. However they have taken on one or two rather major surveys, and a good deal of their work during the last year was conducted for the chairman of the pension commission, and I think it would be more appropriate if he were to tell the results of that, as they were reported directly to him. We have had two very large administrative surveys of branches, namely, the department of veterans welfare services, and the Veterans Land Act administration, and these were aimed at a complete survey of its operations and methods. We were not looking immediately for a staff reduction, but the work has continued. We also carried out a very large survey on stenographic and typing services, at the request of the treasury board. The department was asked to do this. However, I would say, sir, that the work has continued as before, and is very valuable.

The CHAIRMAN: Have you a question, Mr. Thomas?

Mr. THOMAS: I have just one question: How does the department obtain supplies of gasoline, without paying a tax? I am referring to the techniques used.

Mr. BROOME: They buy it for farm use.

Mr. MACE: I can only assume this, but is the federal government, in its purchases, not exempt from the payment of provincial taxes on gasoline?

Mr. THOMAS: I don't know. The question was raised a few minutes ago, and I just wanted it cleared up.

Mr. MACE: We call for tenders on the supply of gasoline for departmental cars in the different districts. The quotations are received by the different oil companies, and, although it is a long time since I have looked into this, I fancy the federal government does not pay the local provincial tax. Would you mind if I checked on that.

Mr. THOMAS: Well, I would like the matter cleared up.

Mr. MACE: I may not be quite right in that.

Mr. HERRIDGE: Mr. Chairman, do departmental officials ever receive any instructions as to where they should stay and what garages they should patronize, when they are travelling, if they need repairs on the road, and that sort of thing?

Mr. MACE: I would say, Mr. Herridge, no. When any of our officials are travelling, we do not indicate to them which hotels they should stay at. It is a matter of their own choice. Obviously, our people are on the road continuously, as in the case of welfare officers, and they get to know the hotels they prefer.

As far as gasoline is concerned, if they are driving their own car, they buy the gas where they wish; however, if they drive a departmental car, and if we have a contract in this particular area with one of the local companies, I gather they would have a credit card, and they would obtain their gas there.

Mr. THOMAS: In that case, would not the local oil company be compelled to charge the prevailing rates for gas?

Mr. MACE: Not necessarily. We would have called for tenders, and an oil company would have been given our contract for so many thousands of gallons of gasoline for the next six months, or whatever it is, and then any of the stations of this company would provide gas to our departmental cars at no charge, and a bulk billing would come through, perhaps, monthly, to our district office.

Mr. THOMAS: And, would the department have to apply for a refund?

Mr. MACE: We do not have to apply. I think we are just charged the net amount.

Mr. THOMAS: I do not know how a local distributor of gasoline, if he were an agent for an oil company, could put gasoline into an automobile without charging a tax for it.

The CHAIRMAN: This matter will be cleared up later.

Mr. LENNARD: There is no difficulty in this. The man has a credit card; it is charged up to the department and then, at the end of the month, the bill comes in from the head office.

The CHAIRMAN: Mr. Mace will supply this information for us later, and I do not see the need for pursuing this subject any further.

Mr. CARTER: Before we leave this topic, Mr. Mace said that their figures show that the average cost was around 7 cents per mile for the cars. I was

wondering if they had similar figures for different parts of Canada. I take it that 7 cents would be the over-all average, and that it would be higher in some districts, and lower in others.

Mr. MACE: I do not think they are broken down by regions. I will see if I can get that information for you. It is the average cost.

Mr. CARTER: If you have not that information, I will not ask you to go to the trouble of obtaining it.

Mr. MACE: Although I do not have it here, I can obtain it quite easily, and I will.

The CHAIRMAN: Subject to the furnishing of this information, can we carry this item?

Mr. CARTER: I have just one more question, Mr. Chairman, on the commissioners, again. I asked a question the other day, and we were going to get some information in connection with that. I see here that we have gone down from \$52,000 to \$45,000.

Mr. LALONDE: Actually, your question comes under this particular item.

Mr. CARTER: I see.

Mr. LALONDE: We have found part of the answer to your question, and, with your permission, I would like to give it at the next meeting.

Mr. CARTER: That will be fine.

Mr. HERRIDGE: Mr. Chairman, there is one correction I want to make.

I drew attention yesterday to the fact that persons who had not served in the Canadian armed forces may receive appointments to the civil service, or to casual work through misunderstandings. If I gave the impression that the form which I was asked to sign was from the unemployment insurance office, that is incorrect; it was an application to the civil service commission. I have had a conversation with the manager of the local unemployment insurance office, and he informs me that they always ask for the discharge certificate of a veteran before recommending him for employment in prevailing rates positions. I want to correct any misunderstanding I may have left.

Item 454 agreed to.

The CHAIRMAN: Gentlemen, we have distributed a sheet and, from now on, with your approval, it is our thought that we would proceed with these items in sequence, such as the Canadian pension commission, the veterans bureau, veterans welfare services, and so on. We will do this, regardless of how they may be found in the blue book. If that is satisfactory, we now will proceed to the Canadian pension commission.

At this time I would like to call upon Mr. Anderson, the chairman of the pension commission.

Mr. Anderson, if it is your wish to introduce your staff, would you do so, and make any statement which you desire to make at this time.

CANADIAN PENSION COMMISSION

468 Administration expenses	\$ 2,693,268
469 Pensions for disability and death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland Special Awards	147,484,000
470 Gallantry awards—World War II and Special Force	24,500

Mr. T. D. ANDERSON (*Chairman, Canadian Pension Commission*): Mr. Chairman, and members of the committee: First of all, I would like to introduce the members of the staff who are here with me. We have, of course, Mr. Mutch, the deputy chairman of the Canadian pension commission. You all know Mr. Mutch.

On my right is Mr. Stockley, the executive assistant, who, I think, appeared last year for the first time. As you know, I already have appeared before you on several occasions during this session, and I am sure you must be getting a bit tired of listening to my voice. However, I do want to thank you, Mr. Chairman and members of the committee, for the opportunity to come before you again at this time, when the estimates are under consideration.

I also, Mr. Chairman, would like very much to take the opportunity of expressing my appreciation to you and the members for the kindness and patience you showed to me during the hectic days when the act was under amendment, and when we did a good deal of work on it. As you may well imagine, I did take careful note of the views expressed by not only the members of this committee, but the members in the house, when the bill was in the resolution stage, and I think I can assure you that both myself and my colleagues are well aware of the wishes of the members. We certainly hope to be able to carry out those wishes to the best of our ability. I can promise you that we will try, in any event.

Of course, I am prepared to attend the meetings regularly, when our estimates are under discussion, and to answer any questions which may arise during the discussion.

At this time I would like to make one brief reference to one of the items in the estimates and that is, of course, the salaries and personnel. I would like to point out that since I was appointed two years ago, our total establishment has been reduced by 32 positions, and that without putting anyone out of a job. I want to stress that. This has resulted in a savings of approximately \$150,000 in administration costs. Of course, this has been more than offset by salary increases over the same period of time. Nevertheless, it does represent a substantial saving.

Further, as I previously pointed out when appearing before this committee when dealing with estimates, the commission has regularly and steadily decreased the total establishment from a maximum in 1949 of 540 to the present total of 388. Now, that represents a total decrease of a little better than 28 per cent over that period and, if I may say so, that was done during the period when the volume of our work has increased by less than half that percentage. During the early part of 1961, our actual volume of work has increased slightly. It goes without saying that as a result of the recent amendment, the volume of our work is going to increase even more. However, we are satisfied that with existing personnel, we can carry the load.

Care certainly has been taken, as far as the commission is concerned, to insure at all times that we have not been over-staffed, and this situation will be carefully watched both now and in the future.

As I said before, Mr. Chairman, I am prepared to attempt to answer any questions which may arise in connection with the estimates but, at the moment, that is the only particular point on which I wanted to make specific reference.

The CHAIRMAN: Thank you very much, Mr. Anderson.

You will find the items in the blue folder at page 4, under vote 468, and in order to keep it orderly, we might try to follow the numbers, such as 1, 2, 3, 4, and 5. I will call those numbers, and we will endeavour to complete the discussion on 1, if possible, before we go to the next one.

I will call No. (1), salaries. Are there any questions?

Miss LAMARSH: Mr. Anderson stated that he has reduced the staff by 32 without putting anyone out of a job. Has this reduction been caused by death, transfers to other departments, or in what way? How did you accomplish it?

Mr. ANDERSON: By a variety of methods. To some degree, retirements are responsible. A fair number of our doctors have retired. Also, we accomplished it by promotional competition. Certain members of our clerical staff have been

successful in competitions and have gone to other departments. Death, of course, has been responsible to some degree. There always are a number who pass away during the year. I think that pretty well covers it.

Miss LAMARSH: I take it, you have not had to do any paring in order to keep the number of personnel down, commensurate with the number of claims you are receiving?

Mr. ANDERSON: That is right.

Mr. O'LEARY: Mr. Anderson's remarks, in comparing 1949 with 1961, indicated a 28 per cent decrease in establishment. What did you say the volume increased?

Mr. ANDERSON: About half of that percentage; around 15 or 16 per cent.

Mr. HERRIDGE: Mr. Chairman, I think this is an appropriate time for me to ask the question I have in mind.

A month ago I moved a motion in the house, for the production of the table of disabilities, and I have not received it. The minister said he would look it up. Has the commission been asked to produce that document?

Mr. ANDERSON: As far as I know, we have produced it. I do recall asking the secretary to prepare one, and to send it over to the Clerk of the House. I think you probably will find that it is there. If it is not, I will look after it.

Mr. CARTER: Is the pension commission now at full strength, or are there vacancies in it?

Mr. ANDERSON: Are you referring to the commission itself, among the commissioners?

Mr. CARTER: Yes.

Mr. ANDERSON: No; it is at full strength.

Mr. HERRIDGE: I have one further question. In connection with this reduction in personnel, and the increase in the work load, has that caused any delay in the handling of cases?

Mr. ANDERSON: Not to this point, it has not. Particularly with the amendments now, we have to watch the situation very carefully. It may be necessary, over a very brief period of time—perhaps one and one-half to two years—to employ some additional stenographic and clerical help to cope with these new amendments. However, by and large, we are not sure at the moment what is going to be needed.

Mr. CARTER: Is this reduction mostly in the category of clerks?

Mr. ANDERSON: No, some of them are medical advisors and pension medical examiners. We have reduced both the medical advisors and the pension examiners.

Section No. (1) of vote 468 agreed to.

Section No. (2) of vote 468 agreed to.

The CHAIRMAN: Are there any questions on section No. (4), professional and special services?

Mr. HERRIDGE: Mr. Chairman, would the chairman of the commission mind explaining on what basis these professional services are engaged or used?

Mr. ANDERSON: Well, this includes payments made to specialists in cases where we have to consult with them, and so on. I think, perhaps, the basis on which that is paid can best be answered by the treasury people themselves.

Mr. F. G. STOCKLEY (*Executive assistant to the Chairman, Canadian Pension Commission*): As the chairman said, this includes the specialists who are called in on occasion to give specialists' reports for pension purposes. Also, it includes witnesses who are called in—medical witnesses and various persons of that type.

Mr. HERRIDGE: Would that be medical witnesses for the applicant or for the department?

Mr. STOCKLEY: A combination of both.

Mr. ANDERSON: It could include both.

The CHAIRMAN: Have you a question, Mr. Weichel?

Mr. WEICHEL: In connection with these professional services, are these men that you call in civilian doctors?

Mr. ANDERSON: Yes, medical consultants.

Section No. (4) of vote 468, agreed to.

The CHAIRMAN: Next is No. (5), travelling expenses—staff. Are there any questions?

Mr. HERRIDGE: Would this be, entirely, travelling expenses for employees of the commission?

Mr. ANDERSON: Yes. That includes appeal boards. The bulk of it is for appeal boards.

Mr. CARTER: I am a little surprised that you keep your travelling expenses so low.

Mr. ANDERSON: I wish you would tell the treasury people that.

Mr. CARTER: You must have a considerable number of personnel travelling.

Mr. ANDERSON: We have. We have at least six men on the road constantly, and sometimes eight.

Section No. (5) of vote 468, agreed to.

Section (7), postage, and section (8), telephones and telegrams, of vote 468, agreed to.

The CHAIRMAN: Section No. (11), office stationery, supplies, and equipment is next.

Mr. BROOME: On that section, Mr. Chairman, a considerable increase is shown, even though the postage is down. I notice that it is well above the actual forecast—the latest forecast of expenditures which, again, was below the appropriation for 1960-61.

Mr. ANDERSON: I will ask Mr. Stockley to answer your questions.

Mr. STOCKLEY: Actually, a great deal of this is, of course, stationery, and as everyone knows, the administrative services for the pension commission are provided by the department, and we are charged our share of the stationery. I can only presume that the cost of paper, printing, and stationery has gone up.

Mr. BROOME: Well, it has gone up about 20 per cent.

Mr. STOCKLEY: An important factor is that, as part of our reorganizing method, we introduced dictating equipment into use in the pension commission, and we have made provision for a considerable amount of that equipment.

Mr. BROOME: Oh, I see.

Mr. LALONDE: That is part of the result of the survey which Mr. Mace was talking about.

Section No. (11) of vote 468, agreed to.

The CHAIRMAN: Section No. (21) pension—retired commissioner, is next.

Mr. THOMAS: How many years did that commissioner serve, and at what rate of salary?

Mr. ANDERSON: That commissioner served from October 1st, 1933 to July 15th, 1941. It concerns Lt. Gen. Sir Richard Turner, V.C., who served on the commission during that time.

Mr. THOMAS: And what was the average rate of salary?

Mr. L. A. MUTCH (*Deputy Chairman, Canadian Pension Commission*): Mr. Chairman, it started around \$4,000 but as to whether there was a change during that period, I do not know.

Section No. (21) of vote 468, agreed to.

The CHAIRMAN: No. (22), travelling expenses, applicants, pensioners and escorts, is next.

Mr. CARTER: Has there been any arrangement made for the increasing number of appeals in Newfoundland, and if so, how is it working out? One of our complaints the infrequency of appeal boards visiting our province and, as a result, cases were left over for a long period of time. Has that been stepped up at all?

Mr. ANDERSON: Mr. Mutch looks after the appeal board arrangements, and perhaps he could deal with that question.

Mr. MUTCH: We sent a man, as you know, in relationship to the problem. We had some difficulty two or three years ago with respect to getting into it. We go ordinarily by air. We had the unfortunate business of either having to cancel some days in Newfoundland, or to over-lay in other maritime provinces. For more than a year now we have made it the practice, when we have accumulated enough cases, to have two or more days sittings, to fly our board direct from Ottawa to Newfoundland, and to bring them back. This has nothing to do with Ottawa and nothing to do with our Newfoundland office. It is a matter of climatical conditions, and the getting in and out by air.

I am not aware of any serious complaints concerning a back-log, or concerning too infrequent appearances over the last year. If there are some, I do not know of them.

Mr. CARTER: Do you know if any appeals are pending now in Newfoundland?

Mr. MUTCH: I could not tell you offhand. I do not have the information here. It is not proposed to send the board back before September. I know that, because no appeal boards travel in July and August except for certain areas of Quebec, up or down the river.

This is all set as of a couple of days ago, until the first of July. But they will be going in in the autumn, whenever they have sufficient work.

Mr. CARTER: In the case of treatment, I suppose it is the practice to bring everyone within the province into the district office and to the district facilities.

In the western part of my riding, which is very near Port aux Basques, it is much cheaper, and more convenient for the veterans to go to Sidney or to Halifax, than to go to St. John's. He can get there more quickly and more cheaply and at less inconvenience.

I am thinking of one particular case. It was that of a veteran who had to have prosthetic service, that is to have his leg fitted. But his heart condition was so bad that he felt he should postpone the trip because he did not feel he could endure the hardships of getting on a train, getting on a boat, and then getting on a train again to reach St. John's.

Of course, he could get a car to go to Stephenville and to fly from there to Halifax with much greater convenience, and when it would be cheaper both to himself as well as to the department. I am grateful to the commission for making that arrangement.

That illustrates what I am trying to point out, namely, that it is not always in the best interests of the veterans or of the department, in my province, to bring them into St. John's, when facilities are nearer on the mainland.

Mr. MUTCH: Perhaps the chairman would permit me to acknowledge your remarks addressed to him and to say that the commission is not restricted. Normally we follow the provincial boundaries with respect to giving of service. But the commission has the power, and it is exercised, of making a variation in special cases, where our advice, upon investigation, is that it is to the advantage of the applicant.

We exist for the purpose of giving service to the applicant. We do not follow this normally, simply because an applicant may not like somebody in the St. John's office, or at some other office; but in order to act in the best interests of the veteran himself, or to get specially qualified medical advice, it is not unusual to bring people from the prairies to Montreal, for instance, for specific cases. And that applies to Newfoundland as well.

Mr. CARTER: It is just a matter of convenience.

Mr. MUTCH: It is a matter of convenience, but I would not like to give the impression that we vary it, because it involves delays in the transfer of documents, for example, plus the possibility of the loss of pension. Therefore unless there is some medical reason, or a health reason, normally they are held in the district in which they live.

Mr. CARTER: This particular veteran—

Mr. MUTCH: Yes, I know the case.

Mr. CARTER: You know, because he postponed treatment which he urgently needed over two or three years simply because he could not face the ordeal he would have to undergo in order to get to St. John's by train. It was far simpler for him to get to Halifax.

Mr. JONES: I wonder if Mr. Anderson would comment on this item which relates to travelling expenses allowed to an applicant, to a pensioner, as to when the regulations and rates were last reviewed?

Mr. ANDERSON: Not since I have been there; they have not been changed any.

Mr. JONES: I wonder if that might not be a profitable field of inquiry, to have a look at these expenses to see if they are in line with present costs.

Mr. ANDERSON: I would be glad to do that, yes.

Mr. HERRIDGE: Would the chairman of the commission tell the committee what the procedure is to inform an applicant of what he is entitled to? I have had a number of cases where the man seems to be under a misunderstanding as to what he is entitled to receive in the form of travelling allowances, and compensation for loss of earnings.

Mr. ANDERSON: When an application is made for a pension, the advice is sent out to the individual as to what the procedure is that he should follow, and this sort of information is included in it, or at least it should be.

There may be cases—you may have run into one or two cases where they have slipped up and it has not been done; but that is the normal procedure.

Mr. HERRIDGE: And the amounts are stated?

Mr. ANDERSON: Yes, the amounts are included.

Mr. MUTCH: It is all done under regulation 400. It is done on the basis of a 100 per cent pension.

The CHAIRMAN: Item 28 "compensation for loss of earnings" \$80,000.

Mr. HERRIDGE: That is a subject which has caused some misunderstanding. What are the regulations with respect to compensation for loss of earnings?

Mr. ANDERSON: That is something we will have to get from the director.

Mr. MUTCH: Shall I read them?

Under section 42 of veterans treatment regulations compensation for loss of earnings may be paid to a veteran, escort or witness who is

directed to report by the commission, or who reports and would have been directed to report had he so requested. Compensation may be paid at a rate not exceeding \$8.50 per day, where satisfactory evidence of loss is produced.

Mr. ANDERSON: That is where they are not receiving their pay while away.

Item 468 agreed to.

The CHAIRMAN: We have completed item 468, and it has been approved.

Now we shall go on to item 469 "pensions for disability and death", \$147,484,000.

Item No. 469: Pensions for disability and death, including pensions granted under the authority of the Civilian Government Employees (War) Compensation Order, P.C. 45/8848 of November 22, 1944, which shall be subject to the Pension Act; and including Newfoundland special awards \$147,484,000

Mr. ANDERSON: Perhaps I might point out that, as the deputy chairman mentioned yesterday, this does not include the amount which provides for the recent increase. This will be dealt with by supplementary estimates later. The total annual liability will ultimately be somewhere in the neighbourhood of \$175,000,000.

The CHAIRMAN: The first item is:

North West Field Force and General, \$7,500.

Mr. HERRIDGE: For the record, there is a lot of misunderstanding. I wonder if the chairman would explain to the committee the procedure that was taken in issuing of the cheques in March, and issuing of the increase after the legislation received royal assent?

Mr. ANDERSON: To the best of my ability I will do so. The treasury people, when they learned of the increase, prepared two sets of cheques, one set at the new rate, and one set at the old, in the hope that the legislation would be passed, and that the money would be voted and everything settled in time to send the cheques out at the new rate.

But unfortunately the estimates did not clear; that is while the legislation was passed, the estimates did not clear the house in sufficient time. So the cheques at the old rate had to be sent, and subsequently, cheques were sent covering the difference, when the estimates were completed. That was the procedure, in brief.

The CHAIRMAN: Are there any questions on the first item, "north west field force and general, \$7,500"?

Carried.

And the next item is:

The flying accidents compensation order, \$35,000.

Mr. WEICHEL: How many people would be covered under that compensation order?

Mr. ANDERSON: Do you mean those receiving pensions now under this order?

Mr. WEICHEL: That is right.

Mr. ANDERSON: That is a figure I would have to get. Oh yes, it is 23.

Item agreed to.

The CHAIRMAN: Now we come to:

World War I pensions \$54,300,000.

Mr. CARTER: May we be given the latest figure for world war I pensioners now?

Mr. ANDERSON: I have it here; just a moment, yes, here we are. I think we have it here somewhere; just a moment. The total diasability pensioners from world war I is 47,044; and the total dependents is 15,208.

For world war II, the total number of disability pensioners is 105,344, while the total number of dependents is 17,283.

Mr. CARTER: What was the figure for world war I?

Mr. ANDERSON: For world war I the total number of disability pensioners is 47,044, while for world war II the total number of disability pensioners is 105,344, and the total number of dependents is 17,283.

Mr. O'LEARY: Mr. Chairman, I wonder if Mr. Anderson would have a recent breakdown, such as last year's, of the number of applications as compared to the number of awards?

Mr. ANDERSON: No, I do not think we have them broken down by regions.

Mr. O'LEARY: You would not have any breakdown at all?

Mr. ANDERSON: No. We have the total figures, but we have never broken them down by regions. We would not have any way of doing that, really.

Mr. BROOME: I wonder whether this would be a good place to ask questions in regard to any ruling from the Department of Justice in regard to the payment of pensions, where eligibility or actual pension award has been granted, but before payment can be made, the veteran dies?

I believe there is some ruling where the benefits which flow from that award to the widow or to the dependents can only be secured if the veteran actually has received a pension.

Mr. ANDERSON: The act specifically states that a pension—I mean an unpaid balance of pension does not form part of a veteran's estate. Nevertheless, there are certain provisions contained in the act whereby such an unpaid balance can be paid to certain people at the discretion of the commission.

The Department of Justice, incidentally, does not interpret our legislation. The only people who may interpret our act are the commissioners themselves, the commissioners of the Canadian pension commission. That is specifically so stated right in the act. Therefore, as far as I am aware, that is the situation.

No unpaid balance may form a part of the estate; but nevertheless the commission has the discretion to pay back to a widow or to children, or to pay funeral expenses, or the expenses of a last sickness and so on, if it would appear to be the proper thing to do.

Mr. MACFARLANE: I would like to ask the chairman of the pension commission about the disability of a man who was discharged in 1946. This chap apparently had some medical item on his discharge which ultimately developed into multiple sclerosis. At the present time his application for pension has been turned down.

Could you give me the procedure necessary to have this case reviewed, or would it be reviewed automatically?

Mr. ANDERSON: It would depend on what type of claim it is. I presume that it is a wartime claim, that is, for disability suffered during wartime. Therefore he would come under 13-1-c.

There are two distinctly different procedures, depending upon whether it is a peacetime claim, or a claim during wartime, for disability from wartime service.

In the case where he is claiming for services rendered during wartime, then of course, he can come back as often as he likes for hearings, and until he reaches the stage where he goes to appeal.

Having gone to appeal, he has only one recourse, although I believe under 65 he may apply for leave to reopen his claim. And if he is successful in obtaining leave to reopen, then he starts all over again. If he is successful

in his application for leave to reopen, he starts all over again. Of course, he has to establish to the satisfaction of the appeal board which is hearing his claim for leave to reopen, that the previous appeal board erred, or that there is some new evidence which has a bearing on it. If it is a peacetime claim, he has first hearing, second hearing, and then he goes to appeal, and he has to do this within specific time limits, as set forth in the act. When he gets to appeal, the same thing applies; he can go only after having secured leave to reopen.

Mr. MCFARLANE: According to the correspondence I have received, he was advised that this illness apparently did not reach serious proportions until after approximately 1950, and then it became progressively worse since then. Apparently he had the symptoms of this disease when discharged, although it was not recognized at that time.

Mr. ANDERSON: Yes. I think the best thing to do would be to refer the name and number to me. I will be glad to check on it and to let you know what the situation is.

The CHAIRMAN: Have you a question, Mr. MacEwan?

Mr. MACEWAN: I perhaps should know this information, but could you tell me how many solicitors there are on your commission, Mr. Anderson, and how many solicitors there are to advise the commission on matters of interpretation of the act?

Mr. ANDERSON: We have one pension counsel, only, and three of the commissioners are lawyers.

Mr. MACEWAN: Three out of what number?

Mr. ANDERSON: Twelve.

The CHAIRMAN: Have you a question, Mr. Weichel?

Mr. WEICHEL: Mr. Chairman, I think that after the second war there were a great many chaps who tried to get out of the army and, later on, found out that they had some disability for which they probably should have claimed at that time. Have you many cases of that kind coming back to you?

Mr. ANDERSON: Yes, a good number of them.

Mr. WEICHEL: Then, there is also the case of the man who probably had a small pension and he could settle for cash at one time.

Mr. ANDERSON: Yes.

Mr. WEICHEL: And you say that many of those are coming back again. Can they make an appeal?

Mr. ANDERSON: Well, as far as I know, Mr. Weichel, practically all of those people who took their pensions in cash were allowed to come back again, back in the thirties. That was all straightened out at that time. However, you may be referring to the individual who has a pension in an amount of less than 5 per cent, in which case they are paid a cash settlement. Now, if that condition gets worse and develops over the years, they may still have an increase to 5, 10, 20 or up to whatever per cent is commensurate with the degree of disability found at the time of examination.

Mr. WRIGHT: Oh, they can apply again.

Mr. ANDERSON: Yes.

Mr. CARTER: Then a person does not lose his entitlement by accepting a cash settlement?

Mr. ANDERSON: Not at all.

Mr. CARTER: What is the provision of a Newfoundland veteran of world war II who served in the imperial forces and was awarded a pension by the

British ministry of pensions, which was supplemented by the Canadian pension commission, and then after a period—I think it was about two years—the British ministry of pensions decided they were not going to wind it up, and they sent him a cash award. In that case, what happens to him? I advised the fellow not to accept the cash award.

Mr. ANDERSON: I am not too sure just what the regulations are, so far as the British ministry of pensions is concerned, but I imagine he would be given a choice. He would not have to accept it.

Mr. CARTER: But he had no choice. He was advised by the British ministry of pensions that they were winding up his pension with a cash award, and as far as they were concerned, that was the end of it. Would he then be eligible to re-apply?

Mr. ANDERSON: Yes, he could come to us at any time.

Mr. MUTCH: He might. It just depends.

Mr. ANDERSON: Well, he would be able to now, under the new legislation.

Mr. CARTER: Under the new legislation he would be taken care of.

Mr. ANDERSON: He could come to us direct and apply for a pension.

The CHAIRMAN: The next section concerns civilians, world war II.

Mr. HERRIDGE: Would Mr. Anderson tell the committee if any pensions have been awarded under this section to former members of the Pacific coast militia rangers who were injured during service?

Mr. ANDERSON: I am not aware of any. That is something I think we will have to check on. I am not sure of their status. If they were militia, they would be entitled to it, if they could establish that their disability was caused through service.

Mr. HERRIDGE: I have a case of that type, and I think the best thing I can do is send the case to the commission.

Mr. ANDERSON: Yes, if you will do that.

Mr. MUTCH: Just include it in your daily bag.

Mr. HERRIDGE: I will do what I can to keep Mr. Mutch fully occupied.

Section agreed to.

Section on defence forces, peacetime services, agreed to.

The CHAIRMAN: The next section is special force, Korea.

Mr. CARTER: Could we have the figure for the Korean veterans?

Mr. ANDERSON: As at the end of February of this year, the figure is 818.

Section agreed to.

The CHAIRMAN: The next section concerns Newfoundland special awards.

Mr. CARTER: Were these special awards from Newfoundland awards which the Canadian pension commission inherited from the Newfoundland government at the time of confederation, or are they awards which have been made since?

Mr. ANDERSON: I think those are the special awards. We could get those figures. I think those are the awards that the Newfoundland commission of government was paying prior to confederation, when the commission took over.

Mr. MUTCH: There were 39 awards as of August 31, 1960, a decrease of three during the previous 12 months, on a continuation of the present monthly expenditure of \$2,782. The forecast for 1960-61 approximates \$34,000, and, as you see, we have asked for \$33,000.

Mr. CARTER: How many recipients are there altogether?

Mr. MUTCH: There were 39; that was the last figure I have in August 1960.

Mr. CARTER: Why do you draw a distinction between this sort of payment and a pension?

Mr. ANDERSON: It is not a pension paid under our rates, but a pension that was established by the commission of government, and we continued to pay it at the rate they were paying.

Mr. MUTCH: They are frozen, and are paid out of a special appropriation. I must make a correction: One gentleman died, and there are now only 38.

Mr. CARTER: Then these people were eligible to be supplemented by the Canadian rate, under confederation?

Mr. ANDERSON: That is right.

Mr. CARTER: Could these people apply for war veterans allowance, if they are receiving less than the amount?

Mr. MUTCH: That is information which you will have to get from the department; I don't know.

The CHAIRMAN: It would come under war veterans allowances. We will take it up at that time.

Section on burial grants, agreed to.

Item 469 agreed to.

Item 470 agreed to.

The CHAIRMAN: That completes the pension commission. I see that it is very close to the time when the house will open.

Mr. LENNARD: I move that we adjourn.

The CHAIRMAN: The committee stands adjourned until 9.30 next Tuesday morning.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

MAY 9, 1961

ESTIMATES (1961-62)
OF THE DEPARTMENT OF VETERANS AFFAIRS

WITNESSES:

Mr. L. Lalonde, Deputy Minister of Veterans Affairs; Mr. P. E. Reynolds, Chief Pensions Advocate; and Mr. E. J. Rider, Director of the Veterans' Welfare Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Howe	Parizeau
Batten	Jones	Peters
Beech	Kennedy	Roberge
Benidickson	LaMarsh, Miss	Rogers
Broome	Lennard	Smith (<i>Lincoln</i>)
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McFarlane	Thomas
Fane	McIntosh	Webster
Forgie	McWilliam	Weichel
Fortin	O'Leary	Winkler.
Herridge	Ormiston	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, May 9, 1961.

(12)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Batten, Beech, Carter, Fane, Forgie, Herridge, Jones, Kennedy, Lennard, MacEwan, Matthews, McFarlane, Montgomery, O'Leary, Parizeau, Pugh, Rogers, Stearns, Weichel, Winkler—20.

In attendance: Mr. L. Lalonde, Deputy Minister of Veterans Affairs; Mr. P. E. Reynolds, Chief Pensions Advocate, and Mr. E. J. Rider, Director of the Veterans' Welfare Services.

The Chairman opened the meeting and called Item 460—*Veterans Bureau*. The Deputy Minister, Mr. Lalonde, and the Chief Pensions Advocate, Mr. P. E. Reynolds, were called.

Mr. Reynolds introduced some members of his staff and was examined.

Item 460 was adopted.

The Chairman called Item 455—*Veterans Welfare Services* and invited Mr. E. J. Rider, Director of the Veterans' Welfare Services, to make a statement.

Mr. Rider explained briefly the history and operation of his Division and was questioned thereon.

Item 455 was adopted.

Item 463—*Assistance Fund* was called and adopted.

Item 477—*Veterans Benefits* and three Statutory Votes entitled "War Service Gratuities", "Re-Establishment Credits", and "Repayments under Section 13A of the War Service Gratuities Act" were called severally and adopted.

At 10.55 o'clock a.m. the Committee adjourned until Thursday, May 11, at 9.30 o'clock a.m.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

TUESDAY, May 9, 1961.

The CHAIRMAN: Gentlemen, will you come to order please?

We are going to take up the items dealing with the veterans bureau this morning. It is vote 460. If you have not the separate sheet, you will find the details in your folder at page 3.

Just before we call vote 460, may I say that Mr. Carter asked for some information the other day. The department now is in a position to furnish that information.

Mr. F. T. MACE (*Assistant Deputy Minister, Department of Veterans Affairs*): Mr. Carter, this is in respect to the corps of commissionaires.

The federal government buildings are normally the responsibility of the Department of Public Works. However, when any one department occupies 75 per cent or more of such a building, that department usually assumes the management thereof. This includes responsibility for security even though this might actually be carried out by the R.C.M.P.

When the Newfoundland district of the Department of Veterans Affairs was moved to the Sir Humphrey Gilbert building and located on the 7th floor, the retention of commissionaire service for the department alone could not be justified, but arrangements were made for a member of the staff to be available at all times to provide information or give direction to any veterans who might have dealings with the department.

The provision of commissionaire service on the main floor for general security or information services is the responsibility of the Department of Public Works, and we intend to draw this matter to the attention of that department.

Mr. CARTER: Thank you, Mr. Mace.

The CHAIRMAN: I will now call vote 460, and ask Mr. Reynolds to make a short statement, if he wishes to do so. Also he could introduce the members of his staff.

Item 460, Veterans' bureau \$706,012

Mr. P. E. REYNOLDS: (*Chief Pensions Advocate, Veterans Bureau, Department of Veterans Affairs*): Mr. Chairman and gentlemen, may I make a few remarks at this time about the work of the bureau.

First of all, I would like to introduce my deputy chief, Mr. Don Ward.

Gentlemen, I do not propose to explain the purpose of the bureau today, as I have done so at previous meetings of this committee. I believe that the members are familiar with the work which we do.

There has been no change in the organization of the bureau since our last meetings. The members will recall that when we met last year, Mr. Rogers inquired whether any courses were provided for advocates. I am now pleased to state that a three-day conference for all advocates will be held in September of this year.

Also, the question of recruitment of solicitors to fill the position of advocates who retired was discussed last year, and I am happy to be able to report that we fortunately were able to secure three solicitors for full-time positions and one solicitor for a part-time position. All these solicitors are veterans.

Mr. Chairman, I feel this is all that I can usefully say at this time, and I will be pleased to try and answer any questions that are put to me.

The CHAIRMAN: Thank you, Mr. Reynolds.

Gentlemen, are there any questions under No. (1), salaries?

Mr. CARTER: Is the advocate in Newfoundland full or part-time?

Mr. REYNOLDS: He is still part-time.

Mr. HERRIDGE: Mr. Chairman, I would like to ask Mr. Reynolds a question. I ask this question because, occasionally, I do meet veterans—as well as receive letters from them—who require the services of a veterans' advocate, and I find that they have a rather foggy idea, to say the least, as to what their real purpose is. They are not informed to sufficient extent as to what the advocates' responsibilities are. Does the bureau inform veterans who are seeking the services of a veterans' advocate of what services these veterans' advocates can provide? A great many veterans are not aware what the veterans' advocate does do. In some cases they do not apply, and in other cases they are misinformed as to the relationship between the advocate and the veteran, and the purpose of the advocate. Is anything done to inform applicants directly in this regard?

Mr. REYNOLDS: Well, I think if an applicant contacted an advocate for advice about the Pension Act, the advocate would say that he is ready, anxious, and willing to do everything he could to help him with any type of claim under the Pension Act. I think all advocates would give that advice to anybody who contacted them.

As far as publicity is concerned, as Col. Lalonde has said, the advocates of the bureau, the same as the rest of the officials of the department, are prepared to go to meetings when invited and to speak about the work of the bureau.

I might say that recently I gave an address within the department about the work of the bureau which has been published in this professional institute magazine.

Mr. HERRIDGE: Not many veterans, however, read the professional institute magazine.

Mr. LALONDE: Our welfare officers who travel around the country to visit veterans, advise them whenever they become aware that a veteran has a pension claim. They advise him to contact the pensions advocate. However, following your suggestion, which I think is an excellent one, we are prepared to run an advertisement in the veterans publications dealing with the veterans bureau.

Mr. HERRIDGE: And you will be giving some idea of the services offered?

Mr. LALONDE: That is right.

Mr. HERRIDGE: That is a point. I think that sometimes veterans do not seem to understand, or rather, they misunderstand.

Mr. LALONDE: We run these advertisements periodically, to cover all the various aspects of the work of the department, and we try to see that we do not repeat ourselves every time. But I think it is an excellent idea to have one of such advertisements deal with the work of the veterans bureau and the pensions advocate. We shall do it.

Mr. HERRIDGE: I think that whenever possible, when a veterans advocate is in a district—I know that in my district he would be in either Nelson or Trail, which are the most important cities in British Columbia—when he is finished there, I think it is an excellent thing for him to give a short talk.

It is this personal contact among the veterans which gives them the complete situation with regard to the services offered. I suggest it be done whenever possible, and whenever convenient, periodically.

Mr. REYNOLDS: I think we do as much as we can, and certainly whenever we are invited we attend Legion meetings. We make sure that an advocate will attend meetings, so that the people may know what the advocates can do.

The CHAIRMAN: Perhaps the Legion might make a note of it and invite their branches to contact the advocate of the district and occasionally invite him to a meeting.

Mr. HERRIDGE: I am quite sure they would be glad to.

Mr. O'LEARY: Speaking for Nova Scotia, I know that has been done in a great many of our branches there. Last year I know that in our own branch, the district pension advocate attended the annual meeting upon invitation. I think that was Mr. Reynold's point, that they should receive an invitation.

Mr. LALONDE: I might add that our district offices notify the Legion branches that the pensions advocate is going to be in their area on such and such a date, whereupon it is up to the branches to follow up that advice and invite the pensions advocate.

Mr. WEICHEL: I would like to place a few remarks on record. I think we all very much appreciate the wonderful service extended by our former director, Mr. Parliament. I am sure we would all like to wish him well upon his retirement.

The CHAIRMAN: I am sure the whole committee will agree with you.

Mr. WEICHEL: He did a wonderful job.

Mr. PUGH: When I put up my hand, it was in response to Mr. Herridge's question. I think the work is going along quite well. My experience in the Legion is that when it is known that a pensions advocate is going to be in the district, that is about as far as it goes.

Mr. Herridge's idea, that the pensions advocate should get around, and if possible speak to as many Legion branches as possible on invitation, of course, I think is a good one. But I do not think the Legion branches are taking advantage of it.

It would seem to me that we would save a lot of time in veterans affairs, and possibly a lot of correspondence, by seeing to it that this is carried out. I was wondering, as a straight question, for instance, if you have figures for British Columbia or Ontario which would show how many talks have been given by the pensions advocate to any branch of the Canadian Legion? You may not keep such figures.

Mr. REYNOLDS: I am afraid that I do not have figures on any talks. But Mr. Gladman and the advocates in the Vancouver office are very active in travelling around to the Legion branches. I know that. But I doubt if they make too many addresses. They simply interview applicants who wish to see them on that occasion.

Mr. PUGH: I think it would be an excellent thing if somebody suggested that the Legion take a note of this and get them to come in, because I think it would save a lot of time in the end.

Mr. JONES: I think it would be something in the nature of carrying coals to Newcastle, because they do a lot of this work themselves. I am sure the Legion branches have kept in very close touch with the pensions advocates, and besides disseminating information about his services, they also carry on similar services themselves.

I believe the suggestion a worthy one, but at the same time we should all remember the work that the Legion is doing here already.

Mr. PUGH: I will go along with you as far as the work of the Legion is concerned, the work that is being done. But if a pensions advocate spoke at the Legion level upon invitation, then the veterans would not find himself

in a position of having to ask for information about where to go, and what his rights are in advance. He would know that this is available to him. That is all I am emphasizing.

Mr. FORGIE: In my branch of the Legion, there is a worthy notice which goes out to all the members. In that circular it is stated frankly that the veterans officer will be in Pembroke on such and such a day at a meeting of the Legion, and that all members who are interested and who want information may secure it by attending that meeting. This has been very satisfactory.

Mr. JONES: I wonder what written material the pensions advocate has in regard to the work of his department for general distribution?

Mr. REYNOLDS: We do not have anything for general distribution apart from what is contained in the handbook put out by the department itself.

Mr. JONES: And that handbook is available in quantity?

Mr. REYNOLDS: Yes.

Mr. MACEWAN: I would like to state this, having regard to what Mr. Pugh and Mr. O'Leary said: in my area there was an open meeting held last year for a number of the branches there. This meeting was attended by the district administrator and the pensions advocate. They all got a great deal out of it.

Mr. ROGERS: While I appreciate the remarks made, I would not want the impression to be left, particularly as far as Alberta is concerned, that the welfare department of the Legion is not doing their job. I do not find any trouble at all. The welfare officer is down in the Red Deer district every two weeks, and the Legion advertises it. So I cannot see where we are having any difficulty at all.

The CHAIRMAN: I think the same applies pretty well in New Brunswick. The Legion and the welfare services all work together very well.

Mr. HERRIDGE: We must understand that Mr. Pugh and I represent districts which are somewhat different, in that they are very scattered. I am suggesting that when it is convenient I think it would be a good idea, for instance, to address some of the branches and give them some idea of the work of the bureau.

Mr. LENNARD: They do not have helicopters!

Mr. LALONDE: We are always trying to improve our services. If the members of the committee are not satisfied with them I would suggest that perhaps this is one subject Mr. Reynolds could take up with the pensions advocates at his coming conference, to discuss ways and means of carrying out the wishes of the members.

Mr. CARTER: I want to second Mr. Herridge's suggestion. I represent a district where the welfare officer does not get around very often. They use the provincial welfare officers, which I think personally is a bad thing, because I believe the provincial officers are used for a different brand of welfare from what I have in mind with respect to veterans. However, that is the situation. Therefore these people cannot get that information from the provincial welfare officers.

The CHAIRMAN: I suggest that since the deputy minister is taking a note of this you may see some improvement.

Mr. WEICHEL: Would the cost be too great to put an advertisement in the papers when these men come to the Legion? After all, there are a lot of Legion branches—and they may not know unless they are notified.

Mr. LALONDE: I am afraid that with the number of visits we have to make in all the districts, and considering the appropriation we have for publicity, we could not afford it.

Mr. WEICHEL: It would run to quite a bit for all Canda.

Mr. LALONDE: I am afraid so.

The CHAIRMAN: Carried. Is there anything further on salaries? That is No. 1; or on travelling expenses, No. 5? Carried. Postage? Carried. Telephones and telegrams? Carried. Office stationery, supplies and equipment? Carried. Travelling expenses, applicants, recipients and others?

Mr. HERRIDGE: Are the travelling expenses for applicants paid on the same basis as they are for persons going in for pension examination?

Mr. REYNOLDS: Not entirely. There is no loss of wages allowance in the travelling expenses when they have to go in for interviews.

Mr. HERRIDGE: Yes.

Mr. REYNOLDS: It is really a service given to the applicant. We are authorized to call in an applicant, and pay his travelling expenses for one interview before the appeal board hearing. It is really for the benefit of the applicant to let him and the advocate have a conference before the hearing. That is what this item refers to. So it is not really different from the ordinary travelling allowance except that there are no allowances for loss of wages.

Mr. CARTER: Is the assistance which the pension advocate can give limited to the preparation of the claim?

Mr. REYNOLDS: Yes, and to anything under the Pension Act.

Mr. CARTER: But nothing outside?

Mr. REYNOLDS: No.

The CHAIRMAN: Does vote 460 carry?

Item agreed to.

The CHAIRMAN: We now go to veterans welfare services, vote 455. You will find it at the front, on the first page.

Item 455: Veterans welfare services.....\$3,891,673

Mr. LALONDE: Mr. Rider has a statement to make.

The CHAIRMAN: Gentlemen, this branch comes under Mr. Rider, and he may have a statement to make at this time. Mr. Rider may also wish to introduce his staff to you.

Mr. E. J. RIDER (*Director, Veterans Welfare Services*): Thank you, Mr. Chairman. If I might be allowed, I would like to introduce the two chiefs of divisions for the veterans welfare services branch. Mr. Mann is the chief of the special services division, and Mr. Knight is the chief of the general services division.

Mr. Chairman, if I may, I have a short statement which I would like to make at this time.

It is a great honour to be able to appear before this committee and it is a privilege to do so representing the veterans welfare services of the department. This is a branch which in the early post-war years was known as the rehabilitation branch and was re-named, as its role changed, in the late 1940's. The staff, however, today is much the same, so that those who counselled and assisted our veterans in the use of re-establishment credits, training benefits and casualty rehabilitation are those who now counsel and assist in the administration of the war veterans allowance act, the educational assistance act and the pensioners training regulations while continuing to work with the disabled, such as casualty cases, older veterans and those veterans who have welfare problems.

During the past year and for the next year, there has been and there is no anticipated change in the numbers of staff required in the branch. The workload continues to be heavy, for example during the past year 11,299 applications were received for war veterans allowances and each one requires investigation. In addition about 40,000 re-check reports were prepared. Generally, almost half the work of the field officer—veterans welfare officer—relates to war veterans allowances. He also prepares reports for the use of the benevolent funds, treatment services, V.L.A., C.P.C., the veterans' bureau, the Department of National Defence and others.

In all, more than 134,000 reports relating to investigations and visits were prepared during the year ending on 31st March, 1961. Over 5,000 of these related to the benevolent funds, about 6,000 to veterans on treatment strength, 9,600 to Canadian pension commission work and, over 10,000 related to the casualty welfare program. Almost 1,000 cases were referred by the Department of National Defence to the social service division for reports on home circumstances, where the service of the member could be involved or, where assistance could be provided directly to the dependents.

During the year more than 11,000 applications were received for help under the assistance fund (WVA). Of these, about 90% were approved and, although final figures have not yet been received, it is evident that the number assisted through this benefit during the year will be about 20,500. (13,255 of these were carry-over from 1959-60).

Re-establishment credit activities continued at a relatively high level during the year with applications being received at the rate of more than 2,000 a month. At the end of December, 1960 there remained about 83,900 active accounts with about 3,900 of these relating to members of the special force. In the year 1960, there were some 22,400 accounts closed.

The veterans insurance division had a busy year during which 1,888 policies were issued under the Veterans Insurance Act while 366 death claims were received. Under the Returned Soldiers Insurance Act 445 death claims were received.

The number of students under the Educational Assistance Act continues to increase. To the end of February, 1961 2,103 approvals have been granted for training and 826 students are in training this year. This compares with 696 in training during the 1959-60 year.

With your permission, Mr. Chairman, I would like to pay a tribute to the veterans welfare officers who so ably represent this branch and the department generally throughout the country. The welfare officer must know not only D.V.A. legislation, but he must also know of provincial and municipal welfare assistance which is available. He must keep in good order a working arrangement with local agencies to obtain from them the help to which a veteran and his dependents are entitled as citizens.

On Tuesday last, Mr. Herridge asked the deputy minister a question concerning our contacts with service clubs. Although our contacts may not be great in number in a formal sense such as giving addresses to such organizations, on occasion the welfare officer does this. I can assure Mr. Herridge that there is a continuing interchange of information between the veterans welfare officer and members of these clubs dealing with specific welfare problems.

I feel that this is all I should say now sir, I thank you again for the opportunity to speak and trust that I shall be able to provide the committee with any information they desire concerning the operations of the branch which I represent here today.

The CHAIRMAN: Thank you very much, Mr. Rider.

Gentlemen, you may now ask questions of Mr. Rider and the members of his staff.

Mr. FORGIE: I would like to have the director explain this question of the students' assistance. Could you tell me to what age it extends and whether they can obtain assistance after reaching the final form in high school and are about to enter university?

Mr. RIDER: Basically, sir, the assistance is for children who have received their matriculation, and it may not be extended beyond the year in which the child reaches the age of 25 years.

The CHAIRMAN: Gentlemen, I wonder if you would follow the sequence. Are there any questions under salaries?

Mr. CARTER: The only place we can ask general questions is under salaries.

Mr. LENNARD: You can ask them any place.

The CHAIRMAN: Are there any general questions?

Mr. ROGERS: Mr. Chairman, I have a supplementary to the one which has been asked already. Could you tell me how the students are selected?

Mr. RIDER: There is no selection as such. The veterans welfare services keep track of the eligible children while they are still in high school. And often counsel them. They keep in close contact with the high schools to be sure that the high school teachers counsel the children; and those who qualify,—by getting their matriculation,—may apply for this assistance.

Mr. ROGERS: That is the point I wanted to clear up.

Mr. FORGIE: Will that take them right through the four-year university course?

Mr. RIDER: It is a maximum of four.

Mr. FORGIE: In other words, if the period of time required is four years, and it takes them beyond the age of 25 years, they automatically are out?

Mr. RIDER: That is right, sir.

Mr. HERRIDGE: Mr. Chairman, in reference to the remarks of the director, I find, in my district, that the co-operation between municipal and provincial welfare services has developed to a much greater extent in recent years. The same applies to the local community organizations. Anyone who has had anything to do with this work knows that on occasions you run into some rather unusual tangles. I have found that they work together very well indeed. I often have had meetings with various groups together. Very often, a lot of my constituents look upon me as a sort of father confessor, and I act, on occasion, as a third party.

Mr. RIDER: This is something that is developing all across the country. We are anxious to develop and maintain our contacts with these outside agencies. However, there has to be give-and-take in this. We give them a certain amount of assistance, and they in turn, help us a great deal.

Mr. HERRIDGE: I have found that it is working excellently.

Mr. CARTER: When the welfare officers come across a case that they cannot help under the Veterans Welfare Allowance Act, do they take the trouble to see whether they can be referred to other sources, such as the army benevolent fund, or other funds which may be available for assistance for veterans.

Mr. RIDER: Yes, indeed.

It is one of the duties of a welfare officer to check into every possible phase of assistance. Now, this may come within D.V.A.; it may be a benevolent fund, or municipal or provincial assistance. However, the welfare officer will guide, counsel and help these people as much as he possibly can to obtain the assistance that they need.

Mr. McFARLANE: Mr. Chairman, possibly Mr. Rider could tell me, in the event that a pensioner has not been accepted and has been turned down by the pension board, if he can turn elsewhere? I mentioned the other day the case of a chap who develop a serious disease after his discharge, although he had some signs of it at the time. Is there any other assistance he could obtain? Perhaps I should make my case clear. This man took sick. He had some signs of multiple sclerosis on discharge, and then it got progressively worse over the years, as a result of which he is unable to do any work of any kind today. Is there any assistance he could obtain under the act?

Mr. RIDER: Assuming that he has been turned down for a pension, if he has overseas service, then he may be eligible for war veteran's allowance, in which case the welfare officer would explore that matter. If he is not eligible for that, he may be eligible under the provincial disabled persons act, and the welfare officer would explore this phase of it. Normally, there is some means of help which these people can get. It may be that our welfare officer would not be able to carry it all the way but, he is able to guide the veteran as to where to go, if it is beyond our department.

As far as war veterans allowance is concerned, he would get that only if he is permanently unemployable and under 60 years of age. If he is over 60 years of age and has the overseas service, employability is not involved.

Mr. McFARLANE: I have one more question: Would the educational assistance be available to his children?

Mr. RIDER: No, sir. For educational assistance, it must be a deceased pensioner's children—a man who died on account of his service.

Mr. ROGERS: Mr. Chairman, could we have a resume given of the re-establishment credit. Do you know how many veterans there are still to apply for re-establishment credit?

Mr. RIDER: Yes; it is about 83,900, of whom 3,900 are veterans of the special forces. There are varying degrees of amounts of credit left. Some veterans have not touched their credit at all; some are using it and there is still some left to be used. Some are still awaiting settlement under the Veterans Land Act which has not been finalized.

Mr. ROGERS: Does this not expire in 1962?

Mr. RIDER: Yes, the end of September, 1962.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): We are well aware of that, Mr. Rogers.

Mr. ROGERS: Do you think that you have sufficient time to clean it all up?

Mr. LALONDE: Well, of course that will have to be decided by the government, because it is a matter of policy. However, I can assure you that we know there is a deadline coming up, and we will have it studied.

Mr. ROGERS: One further question: On the basis of the applicants who have applied in the last year or two, is there any hope of the deadline being sufficient to clear this matter up?

Mr. LALONDE: Do you mean, is there any hope that all accounts will be closed and paid?

Mr. ROGERS: Yes.

Mr. LALONDE: I would say no, Mr. Rogers.

Mr. FORGIE: Would it be the department's suggestion that those credits which are not distributed be turned over to the benevolent fund?

Mr. H. F. JONES (*Parliamentary Secretary to the Minister of Veterans Affairs*): Mr. Chairman, at the present time, I think there is no question involved

as to what might be done with the surplus, because that situation has not arisen as yet. The deputy minister has said that this matter is being very carefully watched.

Mr. HERRIDGE: Would it be the department's suggestion that it would be advisable to extend the deadline?

Mr. LALONDE: I do not know at this time what the department will suggest, Mr. Herridge.

Mr. WINKLER: In connection with the particular discussion which has gone on, I might say that I have found a number—not a great number, of course—of veterans who, because of a slight interest with someone else in their farming operation, have been denied permission by the department to use their credits for the purchase of farm machinery, for example. I think this is a little unfair, because if a veteran had a liability against his farm, say in the way of a mortgage, he could still have these credits for that purpose. However, although his interest in a particular farm is rather great, and there is some other small interest in the farm, he has been refused the right to use this money for the purpose of buying farm machinery. I do not think this is quite fair, and it might be something worth while investigating.

Mr. RIDER: Mr. Winkler, if you have any particular case in mind, I would like very much to look into it. Would you please leave me the name and number of the veteran.

Mr. WINKLER: I will be glad to give you the necessary information.

Mr. WEICHEL: Mr. Rider, you mentioned that the educational assistance was available only to those children of pensioners. Would that include any pensioner from 5 per cent up?

Mr. RIDER: Yes, if he died on account of his war service.

Mr. WEICHEL: That has to be included?

Mr. RIDER: Yes.

Item agreed to.

Item 463, Assistance Fund, (War Veterans Allowances) \$3,745,000

Mr. HERRIDGE: This comes under the administration of the director of welfare.

Mr. RIDER: Yes.

Mr. HERRIDGE: Do you find the numbers of veterans who require assistance from the fund increasing?

Mr. RIDER: If I may Mr. Chairman, I would like Mr. Knight, the chief of the general services division, to answer questions concerning this service. He is the secretary of the head office committee on this.

Mr. C. N. KNIGHT (Chief, General Services, Veterans Welfare Services, Department of Veterans Affairs): Mr. Herridge, we can judge only from the increased number of applications that we receive and, as Mr. Rider mentioned in his summary, there is an increase in the number of applications from year to year. Of course, that is also related to the increase in the number of war veterans allowance recipients.

Mr. HERRIDGE: Would Mr. Knight explain to the committee the procedure when a veteran in receipt of war veterans allowances makes application for assistance?

Mr. KNIGHT: Yes, I will.

A veteran in receipt of war veterans allowance is eligible to apply for the assistance fund if he is receiving less than the maximum income permitted

under the War Veterans Allowance Act, is residing in Canada, and is considered to be in need. This is investigated by the district authority in accordance with the criteria laid down by the head office committee. The applicant makes application to the assistance fund on a separate form. His circumstances, as I say, are investigated, and the district authority, which is the same authority which adjudicates the basic war veterans allowance, adjudicates the claim, and, depending on the circumstances, they will award him a continuing monthly grant for ordinary living expenses, a single grant for special purposes or, if he is found not to be in need, the application may be declined.

Mr. HERRIDGE: You said that the circumstances are investigated and, I presume, that means that the veterans is visited and questioned?

Mr. KNIGHT: Yes.

Mr. HERRIDGE: Do the officers then seek, shall I say, second-hand information from any other persons in the community to substantiate what the veteran says?

Mr. KNIGHT: Could you give me a specific example of the kind of thing you have in mind, Mr. Herridge?

Mr. HERRIDGE: I did have a case, but it was corrected very quickly when brought to the department's attention. This is the case of a veteran who, although in receipt of a war veterans allowance was in very poor health. He suffered from a heart condition which did not even permit him to carry wood in from the woodshed to the house, and he had to live very carefully. He is still living, and in receipt of the allowance. All he had was the house in which he lived and the war veterans allowance. He sought further assistance, on my advice. However, this assistance was turned down in the first instance because someone had told the investigator that he had property that he had not revealed. This was quite incorrect, and later was adjusted.

Mr. KNIGHT: We would be very much surprised at that, because our usual custom is to verify from the man himself, and to follow up from evidence that he gives to us.

Mr. HERRIDGE: This happened two or three years ago. However, it was rectified when the proper facts were made known to the department.

Mr. KNIGHT: I can assure you, Mr. Herridge, that that would be most unusual, because our primary point of reference is the applicant himself. He is asked to produce verification of his claim, bills, and that type of thing.

Mr. CARTER: Is the maximum continuing monthly allowance \$25?

Mr. KNIGHT: That is for a married recipient with no income other than the basic allowance.

Mr. CARTER: What is the maximum you have for a fixed grant—a lump sum?

Mr. KNIGHT: For a married person, if he is not receiving a continuing monthly grant, \$300, the difference between the basic allowance and the ceiling.

Mr. CARTER: How far back do these figures date? When were these amounts authorized?

Mr. KNIGHT: These limits, sir, are set by the act. The assistance fund regulations state that assistance may be given within the income that is in the act. Those are the limits.

Mr. CARTER: Then, it is limited by statute and dates back to the passing of the same.

Mr. KNIGHT: The assistance fund regulations refer to the income limit of the War Veterans Allowance Act.

Mr. CARTER: And, it cannot be changed except by a change of statute?

Mr. KNIGHT: Exactly. The assistance fund, of course, is assessed income for the purpose of the War Veterans Allowance Act, because there is no provision to exempt it.

Mr. LALONDE: I might add that this assistance fund is a very good barometer for us to study the need for any increase in the war veterans allowance itself.

Mr. MCFARLANE: Before we leave this subject, Mr. Chairman, it would appear to me that a man who is on the war veterans allowance can make a certain amount on his own before that is taken into consideration?

Mr. RIDER: You are referring to casual earnings under the War Veterans Allowance Act?

Mr. MCFARLANE: Yes. Does that mount to \$900?

Mr. RIDER: Yes, for a married veteran, and \$600 for a single veteran.

Mr. MCFARLANE: I have a case in mind where a man, due to his physical condition, is unable to work while, at the same time, he is disposing of his farm to his family. He is receiving approximately \$300 a year, but they are taking this off his allowance. This does not appear to me to be a logical thing to do. If he was in a position to go out and work, he would be able to make up to \$900 a year. But, if he sells some of his property and makes, say, \$200, it is taken off his allowance.

Mr. LALONDE: May I suggest, Mr. McFarlane, that you withhold this type of question until the chairman of the war veterans allowance board appears before the committee, because your questions are related directly to the War Veterans Allowance Act.

Mr. MCFARLANE: I will do that.

Item agreed to.

TERMINABLE SERVICES

477 Veterans Benefits, including Assistance and the training of certain Pensioners under regulations approved by the Governor in Council	\$769,450
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The CHAIRMAN: Do you wish to make a statement in connection with this vote, Mr. Rider?

Mr. RIDER: No. I would like to refer questions on this vote to Mr. Mann, who is responsible for these programs.

The CHAIRMAN: Is there anything under the first section, the training and after-care of blinded pensioners by the Canadian national institute for the blind?

Mr. HERRIDGE: Would the director explain the arrangement there?

The CHAIRMAN: Mr. Mann will.

Mr. G. L. MANN (*Chief, Special Services, Veterans Welfare Services, Department of Veterans Affairs*): Mr. Chairman, under the terms of an order in council, the department has agreed that blinded war veterans will be cared for by the professional workers of the Canadian national institute for the blind. This may be adjustment counselling, vocational guidance or special training for the blind. If the blind veteran is considered to be rehabilitated, but is going to require further services throughout his lifetime, he is placed on a nominal or registration role and registered with the institute for blind after-care services, which may go on during his lifetime. This is provided by the welfare workers of C.N.I.B. We work very closely with these workers in connection with difficult and problem cases. However, generally speaking, they assume the responsibility for the rehabilitation and welfare services.

Mr. HERRIDGE: Then, this is a refund to them of expenses incurred on this account?

Mr. MANN: Yes.

The CHAIRMAN: The next section concerns special welfare and placement services, No. (4).

Mr. HERRIDGE: Could we have an explanation for that?

Mr. MANN: Sir, by treasury board minutes, we carry on almost the same type of service for disabled veterans with the Canadian paraplegic association for veterans suffering from hemiplegia or quadraplegia, and we have this type of agreement with the war amps for all amputation cases, although it has not been used for the last few years, because our former director general acted as a direct liaison officer between the war amps and the association, and he did not feel they had to have a special veterans officer in the association.

Also, we have this arrangement with the Canadian hearing society.

Mr. CARTER: May I ask what impact this new legislation which is on the way through now, concerning rehabilitation and training, will have on this particular item, and on the vocational and technical training item further down? Will it have any impact at all?

Mr. LALONDE: Actually, Mr. Carter, you are thinking of the Rehabilitation Act.

Mr. CARTER: Yes,—the vocational training, educational and a lot of other things mentioned there in this new program.

Mr. LALONDE: The new act will only confirm in some ways some of the things we already are doing. For instance, under the vote of vocational training for retraining of pensioners, we make use of provincial facilities, and pay for them. We will continue to do that. However, the new act will not replace these special services that C.N.I.B. or the Canadian hearing society give us vis-a-vis certain specified veterans, and we intend to continue this. I may say, Mr. Carter, that I have cleared that up with the welfare officials and the Department of Labour.

The CHAIRMAN: Have you a question, Mr. Rogers?

Mr. ROGERS: Do you have much trouble in placing these veterans?

Mr. MANN: It all depends on the economic conditions. If you have a great many out of work, such as during the past winter, there is a problem. You have to dig a little bit deeper. However, I am happy to say we have had very good success this winter in our placement of disabled veterans.

Mr. HERRIDGE: What type of employment are you usually able to find for them?

Mr. MANN: That depends on the disability. We have to match the man's remaining abilities to the job. We get a careful medical assessment from the treatment services to find out what he is capable of doing. We match up what he can do with the requirements of the job.

Mr. HERRIDGE: Do you find that certain employers are sympathetic in that they will do all they can to place a man in a position he is capable of performing.

Mr. MANN: On the whole, yes. It is not as easy as it was ten years ago, but on the whole they are very helpful.

Mr. CARTER: I am interested in the people who have defective hearing and whom you supply with hearing aids. These hearing aids are improving constantly. We see advertisements of something better, smaller or more convenient. When you are replacing these things does the veteran get the best?

Mr. LALONDE: I think Dr. Crawford could reply.

Dr. CRAWFORD: I missed the question.

Mr. LALONDE: The question had to do with the improvement in hearing aids. Is prosthetic services completely up to date in that?

Dr. CRAWFORD: Indeed. We are using more and more the transistor type of hearing aid, although the majority are still battery models. We are using some of the eyeglass type of hearing aid. We are not allowing the issue of eye glass hearing aids purely as a cosmetic device, but where it is indicated we issue these. We feel the type of hearing aid which we issue, although not as expensive as some commercial models which are available, by every test we can apply is equal or indeed superior to most of the other commercial models.

Mr. HERRIDGE: I assume when you used the phrase "cosmetic device", you were referring to female pensioners?

Dr. CRAWFORD: No sir. Vanity is widespread. Many of our veterans want to have the eye glass type of hearing aid because they think they would look better by doing away with any of the obvious appearance of wearing a hearing aid.

Mr. CARTER: I have in mind the case of two or three persons who have been fitted with these hearing aids. They were brought into St. John's, which is quite a distance, to get fitted with one of these things with a big battery which they carry in their pocket. They are no sooner back home with that, after having a long trip, when the battery is dead in two or three weeks and they have to do without the hearing aid for a few weeks until they get another one. These batteries go dead so fast that they are not very satisfactory.

Mr. RIDER: Speaking from personal experience I find that wearing a hearing aid is like wearing an old pair of shoes: a man gets accustomed to it. So far as batteries are concerned a veteran contacts the district office and they send to him little cartons of batteries. I get about eight at a time and they last me about eight weeks. When I know I am about to run out I just drop a note, or make a phone call, saying that my batteries are just about out. Immediately more batteries come to me. I have not had any trouble in that regard.

Mr. CARTER: You have a better mail service than we have in Newfoundland.

Mr. RIDER: That is possible, sir.

The CHAIRMAN: Are there any questions on correspondence courses? Vocational and technical training?

Mr. WEICHEL: As a pensioner of the first war, I would like to say that I took the opportunity of the vocational training. I am wondering if the situation today is the same as it was in 1919?

Mr. RIDER: I think there has been about as much progress made in vocational training as in many other things. Vocational training is conducted on a better scale.

Mr. WEICHEL: On a broader scale?

Mr. RIDER: Yes.

Mr. BATTEN: May I ask exactly what is included under this item?

Mr. RIDER: Primarily this includes the vocational training or retraining of pensioners who perhaps have had a job but have had to discontinue that and need retraining for a different vocation. The program, of course, is for the retraining of pensioners.

Mr. BATTEN: Suppose the pensioner was living some distance away from the point where he would receive training. Do you pay the travelling expenses to the area and look after him while he is there.

Mr. RIDER: His allowances are paid while he is away.

Mr. BATTEN: And his training is paid for while he is there?

Mr. RIDER: Yes.

Mr. CARTER: Along this same line, Colonel Lalonde said we used the provincial facilities for the training of pensioners. Is the position of the pensioner who is getting technical training under this fund different to the position of the handicapped person who is going to get vocational and similar training under this new legislation. Is there any difference between the two?

Mr. MANN: Yes sir; there is a slight difference. If the man is a pensioner he has gone through medical restoration and rehabilitation first. If we have a medical opinion that he needs this training for his rehabilitation, we may send him to the provincial vocational school. We will pay him the same allowance he would have under the old Veterans Rehabilitation Act. We pay the fees, the cost of books and other materials, and also pay him an allowance both for himself and his wife if he is married. Under the Civilian Vocational Rehabilitation Act the training is given under schedule "R" of that act. The fees are all paid and there is an allowance, but they do not get the same allowance as the veterans.

Mr. CARTER: The veterans' allowance is better?

Mr. MANN: Yes.

Mr. LALONDE: That is why we did not want to lose this privilege.

Mr. ROGERS: Is there any age limit?

Mr. MANN: No, except that under the pensioners training regulations we are allowed to give World War I veterans vocational training only.

Mr. HERRIDGE: They have gone a bit beyond the university age.

Mr. MANN: A little, sir.

The CHAIRMAN: Awaiting returns allowances.

Mr. KNIGHT: This awaiting returns benefit is now limited to veterans who become established under the Veterans Land Act either in farming or commercial fishing. They can apply for this allowance within one year. The benefit may be paid for a maximum of twelve months. The present rate of allowance is \$50 a month for a single person and \$70 a month for a married person, with additional allowances for children.

Mr. HERRIDGE: The idea is to help them until the farm comes into production.

Mr. KNIGHT: Yes.

The CHAIRMAN: Are there any questions under university training?

Mr. CARTER: This vote is getting smaller. Is that because of the smaller numbers applying?

Mr. RIDER: Yes. There are very few in training now; between twenty-five and thirty.

Mr. McFARLANE: I had a case of a person who applied for university training assistance. He wished to take his course in the United States. Apparently there was some objection raised at the time. Could you give me any reason why there should be any objection to going to the United States?

Mr. MANN: If the course is available here, under our regulations he must take it in Canada.

Mr. McFARLANE: This person could have taken the course in the United States in about two and a half or three years. It was intensive training. Up here it would take four and a half to five years. I was wondering what the objection is to taking a course in the United States?

Mr. RIDER: I think it is primarily that where a course is available in Canada the man should get his training in Canada. I would have to know

the case to which you refer in order to know whether or not the courses were completely comparable. We try to get the best training, but try to get it in Canada if possible.

Mr. LALONDE: This rule was made right after the war and has applied ever since. I cannot say what was in the mind of those who made the rule at that time. One of our experiences has been that where veterans have taken courses in the United States most of them have never returned to Canada.

The CHAIRMAN: Are there any questions under the heading "children of war dead (education assistance)"?

Mr. KENNEDY: I suppose this applies to children of all pensioners who died as a direct result of their wounds. Would it also include an over fifty per cent pensioner who dies of any other cause?

Mr. KNIGHT: Yes.

Mr. KENNEDY: All pensioners over fifty per cent are presumed to have died in war service.

Mr. KNIGHT: Yes.

Mr. HERRIDGE: This is a very important piece of legislation. Could we have a synopsis of how it is proceeding. It is of interest to a great many veterans and members of the house.

Mr. KNIGHT: I am not sure I follow you, Mr. Herridge.

Mr. HERRIDGE: Could we have a synopsis of how this piece of legislation is working and the numbers who are being educated?

Mr. LALONDE: While Mr. Knight is looking for the statistics, I can tell you it has produced even better results than we at first anticipated, both from the point of view of number of students enlisting under this plan and also from the point of view of the number graduating as a result of their studies, in other words the number of successful cases.

Mr. BATTEN: How far does the assistance go in terms of school grades?

Mr. KNIGHT: The assistance is limited to four academic years or thirty-six months, whichever is the lesser.

Mr. BATTEN: You mean in university?

Mr. KNIGHT: Yes.

Mr. KENNEDY: Is it subject to a means test?

Mr. KNIGHT: There is no means test involved. We pay the fees and allowances.

The CHAIRMAN: It would also include a girl who wanted to go through as a nurse but did not want to go to university?

Mr. KNIGHT: Yes. It provides for any course for which the main requirement is high school graduation.

Mr. WEICHEL: What is the allowance?

Mr. KNIGHT: The present allowance is \$25 a month if the child is receiving a pension and \$60 a month if he is over the pensionable age of 21.

Mr. HERRIDGE: Also you get a progress report on each child who takes advantage of this act?

Mr. KNIGHT: Yes sir. Their results are watched closely. Each case is subject to review at the end of each year, because it requires administrative action to take a student on this benefit. We review their progress at the end of each year, because it is provided that the assistance may be continued only if they are making satisfactory progress. If a person fails, it means he must complete that year at his own expense before he can be taken on again.

Mr. HERRIDGE: Have you any idea of the type of education these young people are taking up?

Mr. KNIGHT: Generally speaking, about two-thirds of them go into university courses, and about one-third into courses which do not require university education; that is, technical courses beyond high school. You find them in arts courses, engineering, law, medicine and a variety of other professions. A considerable number go into nursing.

Mr. RIDER: In the universities themselves, for example, we have about 170 in the pure arts or pure science. There are 368 taking courses in education, about 120 in commerce or business administration, about 257 in engineering or applied science. There are varying numbers in the varying divisions of courses. For example, there are 67 in medicine and 66 in law. There is quite a long list of the various types of courses. They are a good cross section of university training and I think these children are no different to others. They take the courses in about the same proportion as do university students.

Mr. BATTEN: Roughly what is the total number?

Mr. KNIGHT: We can give the cumulative totals. These are the preliminary figures to the end of 1961 and they are made up as follows: 2,103 have been approved for training, of those 993 were males and 1,110 females. There were 821 in training and 17 under suspension. That is to say, they were approved, but for reasons satisfactory to the department their eligibility was suspended. There were 196 deferrals for a total of 1,034, there were terminations of 1,069 of which 570 had been completed under our auspices. There were 139 failures, 251 withdrawals from the courses and 109 whose entitlements had expired. Among those whose entitlement had expired some would go on and complete the course at their own expense.

Mr. BATTEN: Are any of the students receiving assistance to attend universities outside Canada?

Mr. KNIGHT: No sir. This assistance is only available in Canadian training institutions.

Mr. LALONDE: We have not run across any type of course so far that could not be given in Canada, under the act.

Mr. BATTEN: Do you have a breakdown of the provinces from which these students come?

Mr. KNIGHT: We do not have it by provinces but we do have it by districts. Of course, in some cases the districts correspond with the provinces but in others they do not. There were a total of 12 in Newfoundland.

The CHAIRMAN: Mr. Pugh, did you have a question?

Mr. PUGH: It has been mainly answered. I think it is pretty clear whether the students are passing their courses or not. You would not put anything more rigid on them than that?

Mr. KNIGHT: No sir. A person is not required to meet more than the ordinary passing standard.

Mr. PUGH: In the event that some boys do not quite make the grade and you feel, after examination, they should go on, do you give them another chance?

Mr. KNIGHT: As the act is written we have no authority to override the requirement that the person must continue to make satisfactory progress.

Mr. PUGH: But supposing they go on on their own—do they re-apply?

Mr. KNIGHT: As I said a few moments ago, if a person fails and then repeats that year at his own expense, we can pick him up again. In other words, we can not pay for the same year twice.

Mr. PUGH: I have one small question on vocational training. Most of these whom you have mentioned here are going to universities, but are there any going in for vocational training, pupils who might not be accepted at universities? For instance, some of them may have only got to grade ten or eleven.

Mr. KNIGHT: Are you talking about children of war dead?

Mr. PUGH: Yes.

Mr. KNIGHT: We can only assist under the children of the war dead act if the applicant has attained high school leaving standard. That is to say, an applicant must have grade 12 or the equivalent.

Mr. PUGH: Then, instead of going on to universities, could they go in for vocational training?

Mr. KNIGHT: About a third of the applicants go on to vocational training, which does not require university attendance.

The CHAIRMAN: The next section is travelling expenses for applicants. If there are no questions we shall continue to the next section which is unemployment assistance.

Mr. HERRIDGE: What would that mean? It is a very small sum.

Mr. KNIGHT: This, as you can see gentlemen, is a vanishing benefit. It is something that goes back a long way after the first world war. It is a grant by ministerial direction from monies provided by parliament for the purpose and, at the present time, it has a very limited application because it is applicable only to World War I veterans of the Canadian forces in receipt of pension for disability related to service in that war, and to ex-members of the imperial and allied forces who are pensioners from that war and who arrived in Canada on or before December 1, 1924. In practice, this benefit is applicable only to a small number of imperial and allied veterans, usually while they are awaiting the processing of their applications for war veterans allowances, because as pensioners with service they would be eligible for war veteran allowances.

Mr. LALONDE: They have to meet certain stringent conditions and therefore their number is very small. They have to be under the age of 60 because otherwise they would be eligible for war veterans allowances.

Mr. HERRIDGE: That is what I was wondering.

Mr. CARTER: May I ask one question on the correspondence courses? Interest seems to be maintained in them.

Mr. MANN: Yes, the interest has been quite high in the past year.

Mr. CARTER: Is that mainly World War II veterans?

Mr. MANN: No. It is fairly equally divided between veterans and civilians.

The CHAIRMAN: The next section is war service gratuities. Are there any questions on this?

Then, are there any questions on the next item—re-establishment credits? This is a statutory vote.

Then we shall go on to the next section—re-payments under section 13 of the War Service Grants Act.

Mr. HERRIDGE: Pardon me, just a moment. Where do these re-payments come in at this time?

Mr. KNIGHT: This item originates under section 13 (a) of the War Service Grants Act, to provide for re-payment to a veteran when he has paid his re-establishment credit to qualify under V.L.A. and who subsequently receives no or little benefit. First of all, the veteran draws his re-establishment credit. Then he decides to repay it to qualify under V.L.A. He subsequently withdraws

his application for qualification under V.L.A. or his contract, if he took one, was terminated. In that case the minister is authorized to pay to the veteran the value of his re-establishment credit less the value of any benefits he may have received under V.L.A. as calculated by the minister.

Item 477 agreed to.

Item 478. Re-payments under subsection 3 of section 12 of the Veterans Rehabilitation Act, \$5,000.

Item 478 agreed to.

An Hon. MEMBER: We are adjourning now.

The CHAIRMAN: Just a moment please, do not get into such a rush.

Mr. WINKLER: We have gone over the time limit.

The CHAIRMAN: We set a two hour limit.

Mr. CARTER: Mr. Chairman, we have another meeting.

The CHAIRMAN: I want to ask what members of the committee wish. We could carry on for another half hour if members feel like that. The house is not sitting at 11 o'clock this morning but, if you wish to adjourn, we shall adjourn.

Mr. WINKLER: There was a motion for adjournment.

The CHAIRMAN: I am not quite finished and I think the committee should give the chairman a moment to thank the staff who have appeared to-day and who did such a very good job. Mr. Lalonde, Mr. Rider, Mr. Knight and Mr. Mann, thank you very much. I understand the committee would like to adjourn but, before we leave, I should like to announce that on Thursday we shall have the war amputations coming here. I do not know if we will have time for anything else, but Doctor Crawford is present and, if we wished, he is prepared to go on with his evidence. I shall now entertain a motion for adjournment.

Mr. CARTER: I move that the committee do now adjourn.

Mr. WINKLER: I second that.

The CHAIRMAN: It is so carried.

HOUSE OF COMMONS
Fourth Session—Twenty-fourth Parliament
1960-61



STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

MAY 11, 1961

ESTIMATES (1961-62) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

From the *War Amputations of Canada*: The Reverend S. E. Lambert, Dominion President; Mr. Alan L. Bell, Honorary Dominion Secretary; Mr. K. E. Butler, Member; Judge K. L. Crowell, Member; Mr. B. D. Palmer, Honorary Dominion Solicitor; Mr. H. C. Chadderton, Dominion Representative.

From the *Department of Veterans Affairs*: Mr. L. Lalonde, Deputy Minister; Mr. T. D. Anderson, Chairman, Canadian Pension Commission; Dr. J. N. Crawford, Director of Treatment Services; Mr. W. T. Cromb, Chairman, War Veterans Allowance Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Howe	Parizeau
Batten	Jones	Peters
Beech	Kennedy	Roberge
Benidickson	LaMarsh, Miss	Rogers
Broome	Lennard	Smith (<i>Lincoln</i>)
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McFarlane	Thomas
Fane	McIntosh	Webster
Forgie	McWilliam	Weichel
Fortin	O'Leary	Winkler.
Herridge	Ormiston	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, May 11, 1961.
(13)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Beech, Broome, Fane, Herridge, Howe, Jones, Kennedy, Lennard, Matthews, McFarlane, Montgomery, O'Leary, Pugh, Rogers, Smith (*Lincoln*), Stearns, Stewart, Weichel, Winkler—(19).

In attendance: From the War Amputations of Canada: Lieutenant Colonel the Reverend S. E. Lambert, Dominion President, Toronto; Mr. Alan L. Bell, Honorary Dominion Secretary, Toronto; Mr. K. E. Butler, Member, Dominion Council, Kitchener; judge K. L. Crowell, Member, Dominion Council, Bridgetown, Nova Scotia; Mr. J. P. Agnew, Member, Dominion Council, Vancouver; Mr. B. D. Palmer, Honorary Dominion Solicitor, Toronto; Mr. H. C. Chadderton, Dominion Representative, Ottawa Branch. From the Department of Veterans Affairs: Mr. L. Lalonde, Deputy Minister; Mr. T. D. Anderson, Chairman, of the Canadian Pension Commission; Dr. J. N. Crawford, Director of Treatment Services.

The Chairman introduced the delegation from the War Amputations of Canada and Mr. Weichel welcomed them on behalf of the Committee.

The Chairman then invited Mr. Lambert to introduce the individual members of the delegation and to read their brief.

Mr. Lambert read the brief and requested permission to give a demonstration of the superiority of the new artificial appliances. In view of the cramped quarters in which the meeting was held, the Committee agreed to attend this demonstration in the hallway after the meeting.

The Chairman then invited the other members of the delegation to address the Committee, after which he complimented the delegation on the presentation and content of their brief.

The Committee then proceeded to the examination of the witnesses.

At 11.00 o'clock a.m. the Committee adjourned until 3.00 o'clock p.m. this afternoon.

AFTERNOON SITTING

14

The Committee reconvened at 2.15 o'clock p.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh and Messrs. Beech, Benidickson, Carter, Herridge, Howe, Jones, Kennedy, Lennard, MacEwan, Matthews, McFarlane, McIntosh, Montgomery, O'Leary, Parizeau, Pugh, Roberge, Weichel and Winkler—20.

In attendance: The witnesses are the same as those who appeared before the Committee this morning. (*See above.*)

The Committee resumed consideration of the brief submitted by the War Amputations of Canada and further questioned the witnesses thereon.

The Committee then agreed to set aside the meeting of May 23rd for the consideration of Item 466—Grant to Army Benevolent Fund and Bill C-88, An Act to amend the Army Benevolent Fund Act.

The Chairman thanked the Delegation and the officials of the Department for their co-operation, and Mr. Lambert expressed his appreciation of the Committee's and the Department's work.

At 4.50 o'clock p.m., the Committee adjourned until Tuesday, May 16, at 9.30 o'clock a.m.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, May 11, 1961.

The CHAIRMAN: Gentlemen, we have a quorum. Would you please come to order.

I hope you all will be happy in these crowded quarters which we have this morning. Due to the fact that the students who are here for the adventure in citizenship are using the railway committee room, I advised Colonel Currie that we would get along all right in this room. So, if there are any complaints, make them to me, as I am to blame.

Mr. HERRIDGE: I thought this was the extension of the survival exercise.

The CHAIRMAN: This morning we have with us the amps organization. The delegates are: Lt. Col. the Rev. S. E. Lambert, Toronto, dominion president; Alan L. Bell, Toronto, honorary dominion secretary; K. E. Butler, Kitchener, member, dominion council; Judge K. L. Crowell, Bridgetown, Nova Scotia, member, dominion council; J. P. Agnew, Vancouver, member, dominion council; B. D. Palmer, Toronto, honorary dominion solicitor, and H. C. Chadderton, dominion representative, Ottawa branch.

I am going to call on Mr. Weichel, a member of this committee, to say a few words of welcome to his group. He knows the members of the Delegation very well.

Mr. WEICHEL: Mr. Chairman, to be sure, it is a real pleasure for me to welcome the war amps of Canada and, especially because they are all very personal friends of mine.

I note that our padre is looking well, after spending six months in Florida. I am sure that after his strenuous 28 or 30 years of being president, he deserved a holiday. We are happy to see him back.

I might say that 6.30 or 7.30 this morning someone rang my telephone. I am not accustomed to getting up that early in the morning, and I would ask Alan and Keith not to call me at such an early hour in the morning.

It is a great pleasure to welcome you all here, and we are anxious to do what we can for you.

The CHAIRMAN: I am going to call on the Lieutenant-Colonel, the Rev. S. Lambert; I believe he will present the brief and possibly, before doing so, he might introduce the members of his delegation.

LT. COL. the REV. S. L. LAMBERT (*Toronto, President, Dominion Council of War Amputees of Canada*): Thank you very much, Mr. Chairman, and thank you, Mike, for welcoming us back. This will be the last time for me.

We want to say thank you, anyway, to the committee, because a lot of organizations are taking credit for the increase in pensions. They all say that they were the ones responsible for getting it. However, we know a lot about soldier organizations, and we do not take any credit for anything; all we do is take the increase when it comes, and say thank you very graciously, if we may.

So, we have a very nice group with us today. I am very happy to be back in time for this presentation to you. It is very kind of you to have us back. We thought we were through. We thought we had told you everything we knew. All we came down for was to advise the members of parliament about

veterans' problems. That is all we have ever done. I think we should be paid advisors, really, because, you know, everything that we know about veterans' affairs, we present to you in briefs, and so on.

We are glad to have with us today Alan Bell, who is well known to all of you. Alan is the honorary dominion secretary, and hails from Toronto. Also, we have with us Keith Butler. Keith is a member of our council, and is from Kitchener, Ontario. Keith is in the same branch in Kitchener-Waterloo as Mike belongs to. We have Judge K. L. Crowell, from Bridgetown, Nova Scotia. The Judge is a member of our board. We have Jack Agnew from the Vancouver branch, and he is a member of the council. Also, we have with us our honorary dominion solicitor, namely, B. D. Palmer. We are always glad to have this outstanding amputee from this city, our friend Cliff Chadderton, who is a dominion representative of the Ottawa branch.

Gentlemen, all these officials are amputees. These are all fighting men. We are a fighting outfit. We are not talking about veterans as such, but the fellows who won the war.

We bring this group down to you, and are very proud to do so.

So, you have before you, Mr. Chairman, this very lovely setup. Mind you, it is a great expense that we go to, in order to bring this material to you. It was beautifully done and submitted by our secretary here, and his assistant, Greta Lash. We will have to bring her down some time. She would make quite a hit with some of these bachelors who are here.

When our delegation appeared before this committee in February of this year, we restricted our submission to the presentation of the views of our membership on the increase in pensions. Our reason for so doing was that we had been informed we would be afforded another opportunity to place before you several other problems which materially affect the welfare of our war-disabled group and their dependents. We would like to assure you that we are most appreciative of this privilege.

Before presenting these matters for your consideration, we wish to express the thanks of our members for the 20% increase in pensions across the board, recently enacted by the government.

I am sorry that we did not bring the letters which we have received with us. We are in receipt of a great number of letters from people who are carrying a big load. They have serious disabilities. Also, we have received many letters from the widows to the effect that even the 20 per cent increase has made a tremendous difference to them. From these people, and the children, we say thank you for the 20 per cent increase in pensions across the board, which was recently enacted by the government.

Although this increase was considerably less than we had requested—and hoped for—we realize it will in a measure help to alleviate the unfortunate circumstances of many of our members, particularly those who are unemployed. We are indebted to this committee for the time and efforts they have expended in behalf of the Canadian veteran.

There are, however, major problems still unsolved, which are the cause of grave concern to the war disability pensioner. It is our purpose today to present to you our reasons for seeking legislative action to remedy them.

Pensions—Widows

It is apparent that, when establishing legislation for the War Veterans' Allowance Act, special consideration was given to widows of recipients of those benefits which is not extended to widows of those receiving benefits under the Canadian Pension Act.

The discrimination arises in this way. Upon the death of a married war veteran's allowance recipient, his widow receives allowance at the full married rate for one year following the death. The widow of a person pensioned under the Pension Act does not receive any such supplementary benefit.

It must be conceded that all widows, regardless of the type of legislation which provides compensation, are equally in need of assistance during the difficult period of adjustment following the death of their husbands. We feel certain that it never was intended to approve legislation which, in effect, establishes types or classes of widows.

We, therefore, recommend that widows of those pensioned under the Pension Act at the rate of 60% or more, receive the full married rate of compensation in pay at the time of the death of the pensioner for a period of not less than one year following the death of the pensioner.

Pensions—Damages Accidental Death

The present legislation (sections 20, 21 and 22 of the Pension Act) produces curious and anomalous results.

A pensioner, severely injured in an accident caused by the negligence of another, is able to sue such other person and, presumably, recover from such other person damages for his out-of-pocket expenses, pain and suffering, and such measure of disability as is attributable to the accident. In this situation there is no claim by the government of a right of assignment of those damages in lieu of pension for a separate non-rated disability. There are no set-off damages in substitution for war disability compensation.

Should the pensioner, however, die as a result of such accident, the situation is completely changed. Present legislation provides that if his widow is successful in obtaining damages because of the accidental death of her husband, such damages are not to be the property of the widow. They are the property of the government of Canada. If the widow takes such damages for her personal use, she must suffer a commensurate reduction in the compensation to which she is entitled *as of right* as the widow of such pensioner.

It is, therefore, strongly recommended that immediate action be taken to amend the relevant sections of the Pension Act, to provide that damages arising out of the accidental death of a pensioner shall not be taken into consideration in relation to payment of pension to his widow.

Pensions—Syme's Amputation

These amputation cases are assessed for pension purposes at the rate of 40%. These cases are often referred to as "foot" amputations.

The table of disabilities establishes definite degrees of disability, apparently upon the surgical premise that the lower the amputation, the less is the disability. Conversely, the higher the amputation, the higher is the disability, up to a maximum of only 100%, despite the fact that some of our members are 200% and 300% disabled in the double and triple amputation cases.

In recent discussions with departmental officials, we have urged that the table of disabilities be reviewed in the light of present day conditions. It is our contention that the Syme's amputations are, in most cases, just as disabling as other below knee cases, and should be assessed at the same rate, namely, 50%. All of them wear artificial appliances which affect the stumps, and can be equally irritating and painful, regardless of the site of the below knee amputation.

We recommend, therefore that pension for Syme's amputation cases be increased to the rate of 50%.

This section is very important. Take a look at me and the rest of us who are here. Can any of you remember us when we first came here nearly 40 years ago? Perhaps none of you were here at that time. However, just take a look. Perhaps you will think we are not doing too badly.

Pensions—Increase with Age

Disability pensioners welcomed the move on the part of the government in the year 1938, when the principle was established that disabilities increase with age. At that time legislation under the Pension Act and table of disabilities was approved to provide an automatic increase of 10% in pension for amputees who were 50%, 60% and 70% disabled when they reached the ages of 55, 57 and 59, to a maximum of 80% pension.

However, no such automatic provision was made for the 80%, 90% and 100% pensioners, who feel, quite logically, that they are being discriminated against.

Obviously the disability increases with age in all cases, and the higher disability cases (80% and above) maintain that their disability increases with age in possibly a greater degree than those in the lower percentage brackets.

Certainly those of us appearing before you today can attest to the fact that our disabilities do increase with age, whether we have been living with them for 43 years (in the case of the older veteran) or 16 years (in the case of the second world war veteran).

We, therefore, strongly recommend that action be taken to amend the Pension Act and table of disabilities, to provide for automatic increase in pension with age, in accordance with the following resolution passed at our 1959 Convention:

50% Disability	— 10% at 50	— 10% at 52	— 10% at 54	— Total of	80%
60% Disability	— 10% at 50	— 10% at 52	— 10% at 54	— Total of	90%
70% Disability	— 10% at 50	— 10% at 52	— 10% at 54	— Total of	100%
80% Disability	— 10% at 50	— 10% at 52	— 10% at 54	— Total of	100%
plus 10% supplement					
90% Disability	— 10% at 50	— 10% at 52	— 10% at 54	— Total of	100%
plus 20% supplement					
100% Disability	— 10% at 50	— 10% at 52	— 10% at 54	— Total of	100%
plus 30% supplement					

Imperial Pensioners Widows

For several years before the widows of Canadian high disability pensioners, who die from other than pensionable causes, were granted a pension, a resolution seeking this was pressed consistently as Number 1 in our programme. Recent convention resolutions ask that a similar benefit be granted to widows of war disability ex-Imperials.

In substance, the resolution asks that widows of imperial veterans who have a 50% or over war disability, and who have lived in Canada for twenty years or more, be granted a pension by the Canadian Government similar to that granted to widows of high disability Canadian veterans under parallel circumstances. The request applies, therefore, to widows of imperial veterans of World War I, to whom Canada has long been their adopted country. The average Canadian residence in the case of our own ex-imperial members is actually thirty-five years. The figure is taken from a survey conducted in support of the resolution.

Most widows of the 1st War imperial veterans are severely handicapped. The disabled imperial veteran's widow, whatever his assessment, gets no pension unless her husband's death is directly attributable to his war disability. Likelihood that the veteran in question can save enough money to make any marked contribution to his widow's future is remote. Canadian veterans legislation recognizes that even the better compensated high disability Canadian cannot provide any but a minor degree of independence for his widow. Yet his disability compensation for years has been from three to four times as great as that of the ex-Imperial—depending on the rank of the latter.

It is the belief of our association the following reasons for our request should be given consideration:

1. The matter in question is the welfare of a female Canadian citizen who is widowed and in financial need in her declining years.
2. In many cases she was born in Canada, did not even know her husband until after his war service and, in the great majority of cases, she was married in Canada. Even if born overseas, she has certainly earned all the privileges of citizenship, since she was married, on average, twenty-nine years ago.
3. She made just as much contribution to the national welfare as if she had married a war-disabled Canadian. In most cases she has borne children to grow up into Canadian citizens.
4. The suggestion that an imperial matter may rightly be judged solely from the standpoint of economic need and equity does not involve a new principle in Canadian veterans legislation. It is already recognized in the inclusion of Imperials under the provisions of the War Veterans' Allowance Act.
5. The number who may benefit from this proposed legislation is exceedingly limited. The estimated total of World War I ex-imperial war-disabled veterans living in Canada at the present time, on imperial rates, is 55, and of those 41 have wives living.

We, therefore, recommend strongly that widows of 50% and over war-disabled ex-imperials, with twenty years' residence in Canada, be granted a widow's pension equal to that granted to widows of Canadian ex-servicemen; eligibility for this pension to exist only so long as the widow remains a resident of Canada.

Prosthetic Services

This has to do with legs, arms and things that you have to wear. At our 1959 convention it was unanimously agreed that in any presentation to the government or governmental committee, the matter of prosthetics was to be given prominence.

This decision was based on two causes for general dissatisfaction of our membership with this departmental service. 1. It was felt that in other countries there are better artificial appliances than those available in Canada. 2. The Canadian limb-fitters, in general, are not kept up to date in respect to fittings required for some of the new developments in artificial appliances.

That there is justification for the belief that superior prostheses are being manufactured outside Canada has been proved by three of our members. At their own expense, they proceeded to California last November, to be fitted with an hydraulic knee and ankle unit. It took a total of eight days to have the new legs made, and these three amputees who are wearing them are more than satisfied with the results.

A test of a very limited number of these hydraulic units is now being made in Canada by D.V.A., but in several cases where amputees have had them fitted here, the limb-fitters had little or no training in this specialized type of limb, and the results are not as good as those experienced by the three amputees who were fitted in California.

It is felt very strongly by our membership that an effort should be made by the departmental prosthetic services to investigate artificial limbs—both arm and leg—produced outside of Canada, and steps taken to allow for testing of these by the Canadian war amputees. It is also urged that expert instruction should be given all limb-fitters, because no appliance, whatever its potential, can be satisfactory unless it is properly fitted.

Free Treatment—All Conditions

For several years we have urged the Government of Canada to provide free treatment for all conditions for war amputation cases, as it now does for certain other veterans under the War Veterans' Allowance Act.

As our members grow older and become ill with non-pensionable conditions, they are pressing harder than ever for free treatment of such conditions, in the firm belief they have earned this right.

The strain of supplementing their disability pensions by gainful employment, and of trying to be useful citizens, is beginning to take its toll. They are finding themselves increasingly subject to various illnesses, and see their small savings disappearing in medical and surgical expenses.

The fact that this resolution has not appeared in recent briefs presented to this committee does not mean our members have forgotten it. On the contrary, it continues to be one of our most vital problems, and is discussed at length at every convention.

We waited to learn the effect of provincial government hospital plans upon D.V.A. hospitals in so far as our members were concerned, before renewing our request for free treatment of all conditions. They have proved to be not satisfactory in this respect. We are, therefore, at present conducting an investigation of this whole matter, and preparing case histories exemplifying the unfortunate position of the war-disabled under existing legislation. When this is completed we propose to present our documented case to this committee or to the minister.

Our purpose in mentioning the subject today is to advise you that we continue to regard it as one of grave concern to our membership.

Conclusion

May we again express our gratitude for the courtesy which is invariably extended by this committee to representatives of our association. If you wish to ask any questions concerning the matters covered in this brief, we shall do our best to answer them.

Then we had something in mind which we were going to show you this morning. However, we cannot do it very well here in this small room.

I recall a demonstration that we had before one of your committees, when we brought all the wheelchairs in. We had a much larger room than this, with a large area in the middle. We had our blind representatives, and we wheeled in the paraplegics, and I believe this made a very tremendous impression on the committee.

Today we have with us some of these new hydraulic outfits which are really going places. We were going to give a demonstration, if we had room, to the committee. We wanted to show you the difference between the old kind and the new hydraulic type. I have been wearing one of these older ones for 15 years.

However, we do not complain about these things. We have had a lot of sympathetic cooperation from the Department of Veterans Affairs, and, if I may say so, more cooperation since Dr. Crawford came. The United States have really gone into this matter, and I certainly would like you to see and compare the two together. If we compared Mike Weichel with Keith Butler here, you would see a very important difference between the two legs. However, I do not know how we can do it here.

Mr. WEICHEL: Perhaps we could do it afterwards, in the hallway.

Rev. LAMBERT: We think it is very important to show you what is happening in the world today. If you could only see these three men, I think it would make a great impression on you. One is from Calgary; one is from Waterloo-Wellington-Guelph, namely, Mr. McLaughlin, and the other one, a man by

the name of Lambert. Training was provided by the Department of Veterans Affairs. The department has men who give instruction. I am now going back a long way, to the first artificial limbs. These artificial limbs were provided to Canadians by the J. E. Hanger Company, one of the greatest companies in the world engaged in making artificial limbs. Then, there is Roehampton, and many others. There was the Roley Corporation from Chicago, and the Department of Veterans Affairs, which was just civil re-establishment, or something of that kind. They brought one of the limb fitters from the Roley company of Chicago and put him on the staff of what was then the Davisville hospital in Toronto. They kept him on the staff a long time, and he taught us how to walk. When I talk about limb manufacturing, I am talking about our own men, men who are amputees, and they work in these artificial limb factories, particularly in Toronto. They are there at our expense, but they are there.

So, we have had a lot of kindness and good will exhibited toward us. However, when something like this comes up, I cannot understand why we cannot bring the best men they have in California, to Canada, to help us out with these new improvements. That is what is done in every other sphere. When you want an expert to make Ottawa the most beautiful city in the world, you bring a man from Paris. Therefore, when they are making these new artificial appliances, I cannot understand why we cannot get the most able men in the field, in order that our men could be trained by them to do the expert fitting which is required.

Keith and I got up this morning, and there we were with nothing on except our artificial legs. In my case, there were straps around here, over there, down here and everywhere else, and Keith walks out with nothing on but a leg. He was not wearing a strap of any kind whatsoever, as he was wearing a new type of artificial limb. It makes a great difference when you actually see these things.

There are three or four thousand of us in Canada who are getting older, and we could have the most comfortable legs for the remainder of our lives, because of a new appliance. You know, the day is not too far away when we will have atomic legs. You have atomic everything else.

Mr. Chairman, I submit these things in the most kindly way, and I always say "thank you" to this wonderful committee. We somehow feel that more people turn out when the amps come to Ottawa than any other group.

That is our submission, Mr. Chairman. We have experts here; I am just the president, and they will be glad to answer any questions you wish to put to them.

If there are any legal implications involved, we have our own amputee legal advisor. He is a Q.C., and he knows everything. I can remember in the past, when some of the members of this committee were lawyers, and they caught on very fast to the injustices which certain groups were experiencing; and I can remember that it was said that they could not believe that Canada could do such things. However, there you are.

The CHAIRMAN: Thank you very much, Reverend Lambert. Perhaps Mr. Bell has some remarks he would like to make. Also, perhaps Mr. Butler or Judge Crowell would like to make a brief statement. If so, we will now call on Mr. Bell, and after we have heard from these officials, we will throw the meeting open to questions.

Mr. Alan L. BELL (*Honorary Secretary, Dominion Council of War Amputations of Canada*): I just want to say, again, thank you for seeing us today.

I think we have spelled out as clearly as we could the problems we have in mind in this brief, which our dominion president has read.

I think our role now is to answer any questions you may have.

I have nothing in the way of elaboration except, of course, to endorse again the resolutions on prosthetics. We are just delighted with the new look that is appearing in this field. We have a brand new thing now, called a hydraulic leg, for above the knee cases. We like it very much. I happen to be one of the experimental cases referred to here. I was fitted in Sunnybrook hospital, and I am testing it. I am delighted with it, and we would like to see a few more of these issued for distribution. Also, I would like to see a parts maintenance and distribution setup, because, at the moment, if anything breaks, it has to be replaced in California. We are just anxious to get on with this new leg, and with anything else that is new in prosthetics. There are many new things in other countries, and we would like to see more modern development here in prosthetics.

The CHAIRMAN: Have you a few remarks to make, Judge Crowell?

Judge K. L. CROWELL (*Member, Dominion Council, War Amputations of Canada*): I have nothing to add, except to thank you very much for giving us this opportunity to appear before you.

Any questions you would like to ask on the brief will be answered for you. The brief covers many different subjects, and I am sure there is someone here who will be able to answer your questions.

The CHAIRMAN: Have you any remarks to make, Mr. Butler?

Mr. K. E. BUTLER (*Member, Dominion Council, War Amputations of Canada*): Gentlemen, I think it is generally realized that these things can be accepted as a sort of small splinter group improvement, with the exception of the prosthetic services.

I realize that sweepstakes are not legal in Canada, and betting would be against the policy of this group, however, after this meeting is over I would like to challenge Mike, as I did on New Year's Day, to a race down the hall. I am a 100 per cent pensioner with 70 per cent, roughly, disability in my good leg and, despite this, I experience a great deal of ease and comfort, as well as a lack of strain on the leg, which is not too good to start with.

I cannot emphasize too strongly how I am impressed with it, and, as I said, I would like, if Mike will accept the challenge, to race him down the corridor, to show him how happy we are with these units.

Rev. LAMBERT: I will put \$5 on him.

The CHAIRMAN: Mr. Agnew, do you wish to say anything?

Mr. J. P. AGNEW (*Member, Dominion Council, War Amputations of Canada*): I would just like to reiterate the remarks made by the padre, that we do not complain a great deal.

Again, if I might repeat the reason we are here is to show you, and not merely to talk to you.

I would just like to express my thanks for being given the opportunity to appear before this committee.

The CHAIRMAN: I am sure Mr. Palmer has something to add.

Mr. B. D. PALMER (*Honorary Solicitor, Dominion Council, War Amputations of Canada*): May I explain to the members of the committee, and particularly to the padre, that although I am a member of the bar and practise law in Toronto, I am not eligible for a capped Q.C. yet.

The CHAIRMAN: Mr. Chadderton, would you like to say something?

Mr. H. C. CHADDERTON (*Dominion Representative, Ottawa Branch, War Amputations of Canada*): Mr. Chairman, I would like to say something about the Symes amputation when we get to that part of the discussion.

The CHAIRMAN: If I may, I would like to say at this time that I think this is a very good brief which has been presented to us. It is a brief one, but

it goes right to the point, and I think the committee will be very much interested in it.

Mr. WEICHEL: I think that when we come to the hydra-cadence leg, perhaps Dr. Crawford could tell us what efforts have been made to comply with the request.

Mr. BEECH: Is it your intention, Mr. Chairman, that we go through this brief clause by clause?

The CHAIRMAN: Yes.

The first paragraph deals with widows' pensions.

Mr. BEECH: Yes. I am just wondering why the association set 60 per cent or more. How about these widows that are getting less than 60 per cent. Is there a reason for the 60 per cent?

Mr. BELL: Mr. Chairman, in answer to that, Mr. Anderson of the pension commission, of course, is here and could speak to that. However, as I understand it, the widow of a pensioner below 60 per cent does receive the full married rate. Does she not, Mr. Anderson?

Mr. ANDERSON: Yes; fifty per cent or over.

Mr. LAMBERT: It is sixty per cent and over. Any below that do get the equivalent of the full married rate.

Mr. BUTLER: I might attempt to clarify that. Prior to this new increase—I do not know the figures now—a widow of a fifty per cent pensioner got the same pension as the widow of a one hundred per cent pensioner. So if a woman is on fifty per cent when her husband is alive their income together is less than the widow's pension is at sixty per cent. In other words the widow's pension was \$115, and it was slightly less than that for the married couple when the husband was alive. The widow would suffer a little bit if she went on the married rate if the husband is on a pension under sixty per cent. She would get less money at the married rate than she would as a widow. That is why it is put in there as sixty per cent.

The CHAIRMAN: Mr. Anderson, have you any comment?

Mr. ANDERSON: I think Mr. Butler has explained it clearly. If you were to apply this suggestion to a widow whose husband is in receipt of less than sixty per cent pension she would be worse off.

Mr. WEICHEL: Some time ago I brought out the point that it should be fifty per cent or over instead of sixty per cent, for the reason that when a pensioner in receipt of fifty per cent or over dies his widow receives \$138. It should go from fifty, right up. That would cover all those pensioners when they die, and the widow would receive that money.

Mr. CARTER: Suppose a thirty per cent pensioner dies of his war disability, at what rate is his widow's pension calculated?

Mr. ANDERSON: The same as if he were a one hundred per cent pensioner.

The CHAIRMAN: The next heading is pensions—damages, accidental death. Are there any questions?

Mr. PUGH: The last time this came up we had quite a discussion. At that time I pointed out the case of a widow who had come to me. She had pressed a claim for damages in respect of the death of her husband who was run over by an automobile. As a result of this she did obtain damages. It is extremely hard to apportion the damages which are received; he was a husband who was run over and killed. Perhaps in the legal terms of the law a husband, if a breadwinner, is different from a husband who is taken away from a married state. It is exceedingly hard to apportion the damages. For that reason, at that time I think the committee felt it was quite a hardship on the widow, who was in receipt of damages, when she had to turn them over to the government or else lose the benefit of her pension.

The question I would like to ask of the department here, or anyone, is, has there been further discussion in respect of this in the last year or two and do you feel that something should be done about it?

The CHAIRMAN: Does this come under pensions?

Mr. ANDERSON: Yes.

Mr. Chairman and gentlemen, first of all I may say that this matter has been considered on many occasions when the act was being amended. It has always been decided it would not be altered; it is not for me to say why. I think this must be remembered: in this case the widow would not get a pension at all if the pensioner were not a fifty per cent pensioner—or, unless he died as a result of his pensionable disability. In this case he was killed in an accident. The basis for the payment of widows pensions in the event of the death of a man receiving fifty per cent pension or greater, is to ensure that the widow of a person in that category receives some compensation for the fact that her husband, due to his heavy disability, was incapable of providing adequate insurance during his lifetime. On the other hand, if, through action taken against a third party for damages, very heavy damages or damages at all are collected, then the need to support her on this basis has been removed in proportion to the amount of money which comes available to her through the action. That is the basis for the whole thing. I am not prepared to argue the merits of it.

The CHAIRMAN: If there are hospital or doctor bills, are these taken out before the money is turned over to the government?

Mr. ANDERSON: Yes.

The CHAIRMAN: The special damages are taken out.

Mr. ANDERSON: Yes.

Mr. PUGH: First of all the widow herself must press the claim. I do not believe she receives any help from the department in any shape or form. No allowance is made for this in respect of the money she collects. She must turn it all over, other than the amount of the special damages. She has all the trouble, generally speaking at a time shortly after her husband died. When I say all the trouble, I think it is considerable trouble. In this one case I am thinking of it dragged on for a period of about eight or ten months after the husband died. At that time no one had advised her that if she did prosecute the case that the net results to her would be taken away if she wished to go on under the Pension Act. That is the very point.

The second point is, I would like to find out if the crown, under its own right, would advise the widow to go after damages or, secondly, failing the widow wishing to go after damages would the crown itself go after damages?

Mr. ANDERSON: Yes. There are occasions when the crown has undertaken the suit, or in the alternative has indemnified for the cost. If the case looks as if there is a possibility of collecting we might do this.

Mr. ROGERS: She has the option of taking the compensation.

Mr. ANDERSON: Yes. She can have the compensation in full, but in that event she must forego the pension, if the capitalized value of the pension is less than the total amount of the damages.

Mr. ROGERS: I would like to carry that one step forward. What would happen if she lived another two or three years and then wished to go back on the pension?

Mr. ANDERSON: Once having accepted the compensation, if the amount of the compensation is in excess of the capitalized value of the pension, she cannot come back.

Mr. CARTER: Mr. Rogers has asked most of my questions. Is this capitalization of what you speak revised every time a pension increase takes place?

Mr. ANDERSON: Yes.

Mr. CARTER: So that a person may collect damages which may disqualify her from the pension, but she may become qualified again if the rate later is increased?

Mr. ANDERSON: No. Once the decision has been reached, that is the end. She cannot come back when the rates are increased and have the pension recapitalized.

Mr. CARTER: That seems to be unfair. A person makes a decision based on a rate at that time. Five years later that rate might be increased thirty per cent and a new set of circumstances arises which would affect the decision. It seems unfair to penalize a widow for making a decision under certain circumstances and continue that penalty when the circumstances have changed in such a way that perhaps they might have prevented her from making the original judgment.

Mr. ANDERSON: The widow makes the decision in full knowledge of the circumstances. They all realize that the pension may be increased.

Mr. LENNARD: That is about the first time I have been able to agree with Mr. Carter.

Mr. STEARNS: I do not agree with the principle of this ruling. What is to prevent the widow's lawyer from exacting a very high fee. The department would have no way of knowing what happened to that money afterwards.

Mr. ANDERSON: It is only the net amount the woman receives which we take into consideration.

The CHAIRMAN: You do not pay the lawyer's fees.

Mr. ANDERSON: No.

The CHAIRMAN: You might pay the counsel fee allowed by the court?

Mr. ANDERSON: In some cases where it is obviously a good case we would indemnify for costs.

Mr. STEARNS: I would think that a clever lawyer easily could exact a very heavy fee and then pass it back to the widow later on. I do not think the principle is good.

The CHAIRMAN: I do not think that is permitted.

Mr. ANDERSON: We would really have no way of knowing. I think it is a good point.

The CHAIRMAN: This is what I am trying to find out: do you pay the charges which the lawyer may charge his client, in addition to any counsel fee allowed by the court?

Mr. ANDERSON: No. We simply do not take into consideration the amount that the lawyer's fees are when we are assessing the total extent of the compensation.

Mr. HERRIDGE: I would like to ask Mr. Anderson this question. When the crown decides to take action against a person who has caused a widow some injury in an accident, is it correct to say that the motive of the crown is to take advantage of the further unfortunate circumstances suffered by the widow in order to avoid the payment of pension to which otherwise she would be legally entitled?

Mr. ANDERSON: No sir; I would not say that. I think the crown looks at it this way. This legislation is designed to ensure that the widow of a man receiving fifty per cent or more in the way of disability pension would be taken care of. If she is adequately taken care of through some other source, the crown feels that its obligation is not as great as it would otherwise have been.

Mr. CARTER: Do you mean that her right to a pension disappears because her husband died in a certain way.

Mr. ANDERSON: That hardly is the point either. The point is that the legislation which protects the woman and children of a man who had a fifty per cent or more pension is designed to see that they are looked after. If he should die because of being involved in an accident and the widow collects damages and she still received the pension, then she would be compensated from two different sources for the same accident.

Mr. HERRIDGE: Mr. Anderson said it was an attempt to pay from two different sources for the one accident. Does he mean he would consider the payment of a pension to the widow as an attempt to pay through one source for the accident? The pension has no relation to the accident.

The CHAIRMAN: But it is for the same purpose.

Mr. ANDERSON: She would not be eligible for a pension if he had not been killed. That is the point.

Mr. CARTER: Is there any point at all in a widow suing for damages if the husband has a fifty per cent disability pension.

Mr. ANDERSON: Yes. I am told there are instances where widows have collected as much as \$50,000.

Mr. CARTER: It all depends on how much damage she collects.

Mr. ANDERSON: Yes. Of course, that is probably a rare example. Not all widows collect large sums but there are rare cases where it does happen.

Mr. MATTHEWS: What I was going to ask has pretty well been answered by Mr. Anderson. However, I have one thought which may be considered foolish, but I am interested in it. Suppose the wife is killed in an accident and damages are received, does the veteran get that? Is he penalized by having to turn it over to the pension board? This is putting it in reverse?

Mr. ANDERSON: No.

Mr. MATTHEWS: That is his?

Mr. ANDERSON: Yes.

Mr. MATTHEWS: I am wondering why when it is possible to collect money in that way that they do not have the same privilege?

Mr. ANDERSON: As I understand the question it is that a veteran in receipt of damages as a result of an accident collects these damages and does not have to give up any of the compensation or the pension. In this case the accident has no relationship to his pension, whereas in the case of the widow the accident is the factor which actually brought about the payment of the pension.

Mr. PUGH: It would seem to me that in the brief the basis for the submission is fairly straight-forward. The only point I would like to make is that the damages are awarded for the loss of her husband and it would seem to me that the department could split it up and say, all right, you will receive so much of this for the loss of your husband.

When I first mentioned this point that was the main basis behind it. It seems to be strengthened by what Mr. Matthews just said to the effect that in the event the wife is killed in an automobile accident then the pensioner could sue, could recover, and could keep all the damages which were awarded. It seems to me here that the submission is in the reverse. It sounds logical that the widow because of her husband's accidental death should get some benefit over and above that granted by the government.

Mr. WEICHEL: I am a little confused in respect of this. For a long time I have been wondering why this was brought in in the first place. After all, any one who has a disability received it through serving his country. I thought

that the pension would go on regardless of anything which might turn up. I might, for example, refer to the old age pension. The rich man gets it and the poor man gets it; there is no change. Why should the widow be penalized? After all you cannot pay a man a pension for the loss of a leg. Our country has done a very fine job in helping; but if you are the actual person who has lost an arm, a leg, or your eyes, you just cannot be paid for that. I wonder why the widow should be penalized. Her pension should go on regardless of what happened.

Mr. HOWE: I am not too familiar with the legislation, but I am wondering whether there is a danger in this. Due to the fact that the terms in the act in respect of the compensation which would go to the widow are known, it could be possible that the lawsuit would not be carried out the way in which it otherwise might be.

Mr. ANDERSON: It would be very difficult to say. As you know, if the amount of the compensation which is collected as a result of an action against a third party is less than the capitalized value of the pension, then the widow does receive the difference in pension. I think what you are getting at is that this may tend to influence whoever is making the decision as to the amount of damages which should be paid. It is very difficult to say whether or not it would affect the amount of the award. I would hope not.

Mr. PUGH: It is rather like a means test actually.

Mr. JONES: If the administration item is still open, Mr. Anderson might prepare a short statement in respect of this for the consideration of the committee so that the actual principles could be placed before the committee and then this could be discussed in the light of that statement.

Mr. HERRIDGE: Would Mr. Anderson give us the number of people affected?

The CHAIRMAN: I think this was done two years ago. You might bring that up to date.

Mr. FANE: I am wondering how far down the line this goes. Suppose the man was killed and the woman would be eligible for a pension. Suppose she did not sue, but he had left adequate life insurance to look after her. Is that taken into consideration?

Mr. ANDERSON: No.

Mr. FANE: You cut it off at the damage claims.

Mr. BELL: This is exactly the point. I think this is the only place where, as far as we know, the crown does take assets into consideration. They do not take into consideration, in paying widows' pensions, real property, insurance, or anything else. However, here, they do.

Mr. FANE: That is what I wanted to establish.

The CHAIRMAN: Have you a question, Mr. Beech?

Mr. BEECH: There are two things I wanted to clear up.

First of all, I do not like the implication that these widows should be given a means test. The other thing is that when these damages are awarded, a pension is given to compensate for the loss of income. How do we know that the husband would not die two or three weeks after the accident, anyway. Surely this widow is entitled to some award for the loss of companionship. I think she should be entitled to some additional compensation. I think the whole thing should be looked into.

The CHAIRMAN: Have you a question, Mr. O'Leary?

Mr. O'LEARY: My question has already been covered, Mr. Chairman.

Mr. HERRIDGE: I have one question under this section. Mr. Lambert suggested that you had your legal adviser here. You say he is a Q.C., and I

understand by that, you mean he is capable of quick comment. My question is this: Who would be responsible for the injuries suffered by a pensioner on account of amputation who was in an accident for which no one was proven responsible. Say, for instance, a car goes over a bluff, but the other occupants of the car, because of their physical ability are able to jump out of the car and avoid being injured. The amputee, however, because of his amputation and because of an injury suffered in his right arm, for which he receives compensation from the workmen's compensation board from the province concerned, was unable to jump out, and therefore suffered a further disability, who would be responsible for compensation for that disability?

Mr. PALMER: That poses quite a problem. I would assume that the amputee was the author of his own misfortune.

Mr. HERRIDGE: But he was not the driver.

Mr. PALMER: In Ontario, if he was a passenger in the automobile, under the provisions of the Ontario Highway Traffic Act, as you all probably are aware, it does not require any liability on the part of the driver for the passenger. Unless a court could determine liability and negligence against some person, the man is entirely out of luck.

The CHAIRMAN: Gentlemen, the time is getting short. I do not want to rush the work along, but I would suggest that possibly we could meet this afternoon, if necessary.

Are there any further questions under this? If not, we could go on to the Symes amputations.

Mr. WEICHEL: May I say a word? Although I am sitting on this side of the fence, I have made many visits to Toronto, Sunnybrook and Christie street hospitals. There was a Jack Johnson, who was the head chap of the limb factory there. He was also president of the Toronto branch later. He is this type of amputee, and I know from actual experience, that he has had more trouble with his condition than I have had with my amputation higher up.

Mr. CHADDERTON: I am very pleased that the chairman of the pension commission is here this morning, because this next subject deals with the table of disabilities, which is under the jurisdiction of the pension commission.

This has been a burning problem with war amps for a long time. I feel there are not too many people in this category, but I do understand what the Syme's amputation is.

I brought this along with me to show you. A Syme's amputation is elective surgery. The doctor says he can take it off here, here, or there. For various reasons, they decide to take it off here, and a Syme's amputation simply means the foot is gone, and you are left with this much of a leg. You really are walking on what was formerly the end of the ankle. At one time this type of amputation was assessed at exactly the same assessment as what we call the below-the-knee—that is, through here. However, when the commission changed to the principle of what we call the measurement principle—in other words, the more you have left, the less pension, the Syme's amputation was assessed at 40 per cent, whereas if it was below the knee, it was assessed at 50 per cent. Our contention, after surveying our members, is that an amputation through here is exactly, or perhaps as Mike has said, probably more disabling than an amputation through here. What you make up in mobility, you certainly lose in comfort. This is for three reasons, which any layman can understand.

In the first place, you are taking your weight smack on the end of that stump. Then, with this type you have a piston movement which is not experienced by any other type. At the end of this you have a ball, and your stumps fits into it. When you lift the foot off the ground, you get this action at the top of the stump, and there is not much that can be done to relieve that.

Some people wear what we call belly bands to help them out. However, that does not work generally.

The third reason that we feel this is just as disabling is because this piece of apparatus weighs between seven and eight pounds. It is swung on the end, with the knee acting as the fulcrum, and therefore there is a tendency for the knee to break down with traumatic arthritis. I think that a person with this type of appliance is just as disabled as one with the other type.

The CHAIRMAN: Would you refrain from saying "here" and "there"; it makes it difficult for the reporter.

Mr. CHADDERTON: An amputation at the ankle is just as disabling as an amputation four or five inches above the ankle. Perhaps this is not the place to introduce finances, but here, again, from our own records we have been able to put together the facts that there are approximately 60 wearers of Syme's in Canada, who draw a pension under the Canadian Pension Act, and an increase of 10 per cent, from 40 to 50 per cent, would presumably work out, after taking everything into consideration, something like \$2,500 or \$3,000 a month for the federal government to pay. We do not consider this to be an outstanding sum of money.

Also, in connection with whether a Syme's is as disabling as a below-the-knee amputation, is, as I said at the start, a problem of supreme importance, and we certainly would like to make certain that this committee understands our views on this.

I would end up by saying that if you really would like to know whether one of these amputations at the ankle is as disabling as an amputation up here, you just ask the wearer. He is the man that can tell you. That is what we have been doing. If not this year, at least within a short time, I think we can establish to this committee and the government, as well as the pension commission, that our contention is right, and to the point.

Mr. WEICHEL: Mr. Chairman, perhaps I could bring out a point here. The type of leg which Mr. Palmer has is about the same as mine, and it is right up to the top. You are getting it all from the bottom.

Mr. CHADDERTON: This is the latest appliance, the plastic Syme's. At this time I would like to pay a compliment to the Department of Veterans Affairs, who developed this. It is a tremendous improvement over the former one, which was a leather stock with irons up the side, and it weighed 11 pounds. Notwithstanding that, we still have between 7 and 8 pounds, approximately, hanging onto the stump.

Dr. J. N. B. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): Mr. Chairman, I would first like to apologize to you for coming late to this meeting. I am being investigated today by the royal commission on efficiency in the government service, and I felt that my reference to that might justify, to some extent, my delay in arriving here.

At this time I would like to say something that is pertinent, although it may not at first appear to be so. I have always had a tremendous admiration for the war amps of Canada, in the way they face up to their disabilities, and the way they make little of it. I remember one time sitting at lunch beside a double arm amp who asked me if he could help me cut my meat. This is the sort of attitude which exists all through the organization, and it cannot help but engender a feeling of tremendous admiration and respect. More than that, however, in the last few years of our increasingly intimate association with war amps, there has grown up between us a feeling of real personal friendship and, if at any time we disagree with one another, and if at times we criticize one another, it is criticism and disagreement between friends.

I think the war amps realize that their interests are my prime interest, and problem I have to face is the implementation of the achievement of their

interests through the mechanism of a government-controlled agency which, at times, makes it somewhat difficult.

Having said that, because obviously I am preparing for some sort of admonition, which probably will have its most important use when we come to discuss another item—prosthetic services.

To revert to the question of the Syme's amputation, a year ago I told this committee we were, at the request of the war amps, teeing up a research project in connection with the effect of these amputations. You will recall that at the last war amps convention the department was asked for assistance in showing that the Syme's amputation was, in fact, as disabling as amputations at a higher level. Now, I was unable to do this. I will never accept as a research project anything that is designed to prove anything. If you try to find facts to support a certain thing, you are in serious trouble. I was more than happy to agree to investigate and try to determine the facts. We have done this over the past year. In Toronto, we have had a research project in existence under a very capable man, who was investigating all types of amputations, including the Syme's. The project is now drawing to a close, but it is still far too early to report on the facts which we have found. However, I would like to assure the committee and the members of the war amps delegation that whatever the facts which are produced, good or bad, they are, in our opinion, the findings which we have made. We are not influenced by the table of disabilities. We are not interested in it. It has nothing to do with this. We want to know one thing, and it is this: Is the Syme's amputation as disabling as amputations at a higher level and, within the next few weeks, we should be able to answer that.

The CHAIRMAN: The next section, gentlemen, deals with pensions—increase with age. Following that, we have the imperial pensioners' widows.

The bell has just gone. As some of these officials have come a long way to be here before us, would it be agreeable if we had a meeting this afternoon?

As there is a dinner at one o'clock in connection with external affairs, would it be agreeable if we met at three o'clock?

Some hon. MEMBERS: Agreed.

AFTERNOON SESSION

THURSDAY, May 11th, 1961
3.00 p.m.

The CHAIRMAN: Gentlemen, we will proceed with our adjourned meeting from this morning, and complete the questions in connection with this brief.

I do not think we will continue after that with any estimates, due to the fact that there are so many members on other committees this afternoon, and also the fact that certain members are needed in the house.

I do not know whether or not you have finished questioning in connection with the Syme's amputations. If anyone has any further questions to ask, would you do so at this time.

I should have asked the witnesses to take their places at the head table. I believe all the members know these gentlemen. Is there anyone here, now, who was not present this morning and has not been made acquainted with them?

We have here the padre, Colonel Lambert, Mr. Butler, and Judge Crowell, who will be glad to answer any of your questions.

Mr. BENEDICKSON: Has Padre Lambert, who has been an admired visitor to this committee almost every year, not a statement in chief to make?

Some hon MEMBERS: He made it this morning.

The CHAIRMAN: Yes, he made a statement this morning.

If there are no further questions in connection with Syme's amputations, we will pass on to pensions—increases with age. This is set out at page 4 of the brief, and on page 5 there is a table which indicates fairly well the request.

Mr. CARTER: I like this idea of a supplement as distinguished from the pension, and I notice you did not use that word until you got to 80 per cent. You just add on 10 per cent up above. I would think they would be more consistent if you regarded it all as a supplement.

Judge CROWELL: I think the reason for that is that up to 100 per cent it would be pensions. No one is supposed to have over 100 per cent pension, and that would give us 100 per cent pension, plus the supplement.

Mr. CARTER: I see. Did Mr. Herridge ask earlier in one of our committee meetings for a table of the disabilities?

The CHAIRMAN: Yes.

Mr. CARTER: Has that been complied with?

Mr. ANDERSON: As I said at a former meeting, Mr. Carter, I asked that it be prepared and sent over to the clerk. I am told this has been done.

Mr. CARTER: Will that information be incorporated in our proceedings?

Mr. ANDERSON: I understand it will be tabled in the same way it was on the previous occasion when it was tabled back in 1954.

Mr. CARTER: And, will it be printed in our committee reports?

The CHAIRMAN: I am not so sure. Should we not have a copy of the table here, and have a motion?

Mr. CARTER: But it would not necessarily be printed in our report. Is it supposed to be confidential information?

Mr. ANDERSON: Up to a point, it is. It is really information that is of little value to anyone other than the medical advisers who deal with these claims, and it is amended so frequently it is almost impossible to keep all the copies in circulation up to date. As I understand it, when a motion to table such a document in the house takes place, the document in its existing form must be tabled, and any change in it requires a further motion to table. I may be mistaken in that connection, but that is my understanding.

Mr. CARTER: Well, the only reason I asked that question was because this is a disability table that you have here, and your brief is based on age, and when a person with 50 per cent disability reaches the age of 50, he gets another 10 per cent. That is the basis of it.

Reverend LAMBERT: But that is pension up to the 80 per cent. For those above that, it is something different. They do not receive anything extra. The man with the highest disability is arguing that he be included in that increase, and to increase his, you cannot go more than 100 per cent. 100 per cent is all you get. If we have 300 per cent disability—which some of them have—they only get 100 per cent pension.

Mr. O'LEARY: You are asking that it begin at age 50 instead of age 55?

Reverend LAMBERT: Yes.

Mr. BENEDICKSON: Mr. Chairman, I apologize for not being here this morning.

May I ask Padre Lambert whether he has, in his representations, taken into account the fact that when referral is made to pensions solely, there might be some lack of appreciation of the new resolution presented on the order paper by the Minister of Veterans Affairs with respect to veterans' allowances and the interplay of relations thereto.

Was that subject dealt with properly this morning, Mr. Chairman?

The CHAIRMAN: No, I do not think there was anything said about the possibilities of increases in the war veterans allowance.

Reverend LAMBERT: Except the comparison we made between a pension and those getting war veterans allowance under certain conditions. We referred to it in a couple of instances today, as a matter of record. However, we are not dealing with the question of the increase in war veterans allowance.

Mr. BENIDICKSON: No, but representing the amps, you would recognize—perhaps not as much in the case of the amps pensioners as others, but in the low pensioner rates—that there was a loss, or shall I say, no gain as a result of the improvement in the Pension Act?

Reverend LAMBERT: No. I think that is separate, and I think it is being brought in as a separate increase. I think it is before the house now; I saw something about it.

Mr. BENIDICKSON: A resolution. Of course, the terms of the bill are not known.

Reverend LAMBERT: No.

Mr. BENIDICKSON: Of course, I do not think they would affect the disability rates referred to on page 5. However, I assume that you would be prepared to send somebody back if we wanted further representations on that.

Reverend LAMBERT: Yes. Anyway, I think we would be favourable to their increase.

The CHAIRMAN: Are there any further questions on increase with age? What about the imperial pensioners' widows? Are there any questions on that subject?

Mr. CARTER: Are these not the same people who presented a brief the other day?

The CHAIRMAN: No; those were the non-pensioned war widows.

Mr. CARTER: I thought they were the same. I thought the body of people who were here the other day represented both themselves and the imperial pensioners as well. I thought they included them.

The CHAIRMAN: They pretty well covered the whole field, but they do not go into it as much as this.

Mr. BEECH: This referred to the veterans who were domiciled in Canada and served in the imperial forces.

Reverend LAMBERT: Not necessarily; it also means those who came to this country after. You see, a preference was given to the imperials under the War Veterans Allowance Act. They come under the War Veterans Allowance Act, now.

Mr. CARTER: In the last legislation.

Reverend LAMBERT: Yes, and this has to do with the amputation or disability pensioner who came to this country, and this is asking for a pension for his widow, under certain conditions.

Mr. HOWE: Have you any estimate of how many widows would be involved in this?

Reverend LAMBERT: 41. War veterans allowance is paid now to an imperial veteran who has lived in this country over 20 years.

Mr. BEECH: 10 years.

Reverend LAMBERT: That is right; they changed it. It was 20 years at the beginning.

Mr. BENIDICKSON: Mr. Chairman, dealing here with the representations from a specific area of veterans—those which relate to war amputees—and I should know this, but I have forgotten—I would imagine that their area of percentage pensionable disability would generally be above the package or bulk. I would imagine their area or percentage of pensionable disability generally would be above the bulk. To what extent is that true? I am going back to my thought of its relationship to war veterans allowances. Would you have very many pensionable amputee cases where the percentage of pension was so low that a failure to increase the war veterans allowance would be adverse to the pensioned amputee under an increase in the Pension Act.

Reverend LAMBERT: The lowest we have would be about forty per cent.

Mr. BENIDICKSON: So the legislation that was presented this year to increase pensions would not interfere with any of your pensioners who might have been applicants beyond and outside for war veterans allowance.

Reverend LAMBERT: No.

Mr. CARTER: You do not have many amps who are in receipt of war veterans allowance.

Reverend LAMBERT: Not very many.

The CHAIRMAN: Are there any questions in respect of page 6.

Reverend LAMBERT: We tried to make this very clear by setting it up so that it is not difficult to understand. We put it in five sections, so that it would be quite clear.

Mr. CARTER: I think the principle—that is the welfare of a female Canadian citizen—which is set forth in No. 1 is a pretty sound principle. There should not be any differential between a female Canadian widow who is married to one veteran as compared to one married to another veteran.

Mr. JONES: They are speaking about female Canadian citizens, widows of imperial veterans. They are not speaking about those widows whose husbands belonged to some other force on our side.

Mr. CARTER: I am not against extending the principle. It is the principle which is the important thing.

Rev. LAMBERT: You mean other countries who were allied with us?

Mr. JONES: There were a number of countries who changed sides in the last war.

Rev. LAMBERT: We did not include them. We easily could include them. These were imperials who fought with the British army and came to Canada. They were recognized for war veterans allowance after ten years in Canada. Therefore we ask that these widows be recognized also for pension.

Mr. McINTOSH: In the last sentence it says:

...eligibility for this pension to exist only so long as the widow remains a resident of Canada.

What is the reasoning in respect of that?

Rev. LAMBERT: There is quite a question about paying benefits to those who go back to another country. Therefore, we just thought that so long as we care for them when they are here that perhaps that would be sufficient.

Mr. CARTER: You thought you might have a better chance if you limited it to that?

Rev. LAMBERT: Well, we did. There was quite a question about whether or not they should be recognized at all. We have thought that since the department dealt with it from a war veterans allowance point of view, why not recognize those who have a war disability because of service in the front line. That is why we brought them in. There must be some here from other

countries also. If they are allies we accept them in the war amputations of Canada as comrades. We accept them for membership, and I believe they also do in the Legion.

Mr. BEECH: When you speak of the fifty-five, does that mean just amputations?

Rev. LAMBERT: Yes; just amputations.

Mr. O'LEARY: What position is taken by the countries from which these veterans came?

Rev. LAMBERT: They come under the British Pension Act if they are British, and I expect in connection with the other countries it is the same. Under the British Pension Act they must die from the war disability for which they are pensioned, otherwise their widows do not get the pension. Theirs is a little different. In our case here, if you are fifty per cent or over you get pensioned anyway.

Mr. O'LEARY: You have made this distinction when you gave this count of forty-one here?

Rev. LAMBERT: Yes.

Mr. PUGH: Does the payment of allowance to Canadians who are now resident outside the country apply to recipients of war veterans allowance?

Rev. LAMBERT: No. War pensions are paid anywhere; they can go anywhere. War veterans allowance, however, I believe only is paid within the country.

Mr. BEECH: Under certain conditions it is paid outside.

Rev. LAMBERT: I am not conversant with all the changes.

Mr. W. CROMB, (*Chairman, War Veterans Allowance Board*): War veterans allowances paid to war veterans allowance recipients outside the country in the case of those who have lived twelve months in Canada before they left the country.

Mr. BENIDICKSON: Are these regulations parallel to those in respect of an old age security recipient who lives outside the country?

Mr. LALONDE: It is not exactly the same, because the old age security is not based on a means test and the war veterans allowance is.

Mr. PUGH: What check does the department have on war veterans allowance recipients who are resident outside the country?

Mr. LALONDE: They must be recipients at the time they leave the country, so we know what income they have at that time. There is a yearly re-check wherever they live after they have left Canada. We have made arrangements to do that.

Mr. PUGH: It is based upon the principle that the department is doing its best to help veterans no matter where they reside.

Mr. HERRIDGE: Then it is quite possible under the present law with regard to old age security and war veterans allowance for a person who fought against us in the second world war to have emigrated to Canada after the war and then return to the country of his origin and receive old age security without returning to Canada; but the Canadian veteran or his widow who left Canada and went to live in Britain or some other country is required to return to Canada and spend twelve months here before qualifying for the allowance.

Mr. LALONDE: Those who fought against Canada in World War II are not eligible for war veterans allowance in any country.

Mr. HERRIDGE: I am speaking about the old age security. Is it possible to get old age security after being resident in Canada for ten years?

The CHAIRMAN: I do not see what we have to do here with old age security. I do not think anyone here can give you this kind of information.

Mr. MACEWAN: It is not our problem.

Mr. HERRIDGE: It is all right for this gentleman to say it is not our problem. I am trying to relate one to the other. The deputy minister is a fount of a great deal of wisdom and information. I am trying to find out what are the provisions under the Old Age Security Act.

Mr. LALONDE: I have absolutely no wisdom so far as the Old Age Security Act is concerned.

Mr. HERRIDGE: Then is it correct to say that a veteran, or his widow, who had returned to Britain before the amendment to the War Veterans Allowance Act is required to return to Canada for twelve months in order to qualify for the war veterans allowance.

Mr. LALONDE: May I suggest that you wait until the war veterans allowance bill is before this committee and direct your questions at that time.

Mr. HERRIDGE: I thought the questions were related to that.

Mr. CARTER: It is certainly a point which will be brought up when we are discussing the war veterans allowance amendment. I am wondering if the parliamentary secretary would get the information as to how it compares with the old age pension.

Mr. JONES: We have these distinguished guests before the committee, and I think while we have them here we should take full advantage of their presence and leave these other matters until the appropriate time for discussion.

The CHAIRMAN: That would come up under items 461 and 462.

Mr. HERRIDGE: May I ask that the deputy minister request his officials who deal with war veterans allowance to also be informed with regard to the old age security legislation, so that we can relate the two when the matter is under discussion.

Mr. LALONDE: We will gladly do that, Mr. Herridge.

The CHAIRMAN: We will now pass on to prosthetic services.

Dr. CRAWFORD: Mr. Chairman, the brief which has been presented by my friends in the war amputations association is a very good brief: but in preparing it my friends have used a very human and very understandable tactic. They have taken facts with a certain degree of validity and have quoted them. These facts can strengthen their case. They have omitted to quote facts of equal validity which tend to weaken their case.

In this brief, prosthetic services is charged with two faults. The first is that in other countries there are appliances which are better than those available in Canada. This may well be true. Prosthetics are very much like a suit of clothes. I suppose there are better suits available in Bond street than in Toronto or Ottawa; but I suppose the difference is one can measure a suit of clothes in Bond street and there is no maintenance problem. When considering prosthetic appliances in this country, normally we have to consider the desirability and usefulness of them and the continuing problem of maintenance.

The department has set upon a policy of issuing and supplying appliances which are good and which we can maintain. In our defence I should say that we are aware of these other appliances and we do adopt and adapt into our appliances the better features of these new ones as they arise.

This morning we heard a good deal about the hydra-cadence leg. We became aware of this in 1948. At that time we field tested it and found out that it broke down and could not be maintained. Nevertheless we were impressed with its potential and have continued to follow its development with a great deal of interest. About a year ago we came to the conclusion that its development now had reached the point where it was worthy of further study on our part. At the same time the veterans administration in the

United States decided to field test one-hundred hydra-cadence units and we decided to field test twenty-five. Our field test is much greater proportionally than that in the United States. At the moment we have about fifteen on trial out of twenty, and the others will be available shortly.

Thus far we are reasonably impressed with this unit. We think it is good. There are some bugs in it, but these seem to be not insurmountable and we think that as the testing continues and if the results continue to be as favourable as they seem to be at the moment, in the future we will be using many of these units.

In the brief it is alleged that three members had to go to California to get this unit. The implication is, why was it not supplied. I would like to suggest to the members of the committee that these three members went to California at a time when we were field-testing the unit, but they themselves were not chosen as guinea pigs in the test. They were so impressed by the advertising that they decided they could not wait. So off they went to California where they got these units.

Secondly it is suggested that our limb fitters are not competent to fit this unit. Gentlemen, to this I must register a protest. It is true that we have—

Mr. BENIDICKSON: Who is not competent?

Dr. CRAWFORD: The limb fitters in our department. It is true we have not brought from California people to teach us how to use this unit; but, on the other hand, for the past two years we have been sending our limb fitters down to California and other areas in the United States to become familiar with the use of the suction socket and the quadrilateral socket which is the essential part of the fitting of this unit. We have units on trial from coast to coast in every D.V.A. district which are fitted by limb fitters.

Just today I had a letter from Victoria where one of our people had been fitted. I am sorry that Mr. Bell could not be with us this afternoon. He has been fitted satisfactorily with the hydra-cadence unit in Toronto by these allegedly incompetent limb fitters.

Gentlemen, I am suggesting that prosthetic services is aware of the developments in prosthetics. We are following them closely and are providing what we consider to be the best that we can provide and maintain. We have made great strides in the past few years, and I trust these strides will continue. However, I would not like the members of this committee to get the idea, from the tenor of this brief, that we are incompetent or are disinterested in the problem of the war amputees.

The CHAIRMAN: Thank you.

The CHAIRMAN: Are there any further questions on this subject?

Mr. BUTLER: May I have a few words on this, Mr. Chairman?

The CHAIRMAN: Proceed.

Mr. BUTLER: It is very definitely the opinion of our association that in the past few years, under Dr. Crawford's guidance, there have been more advances made than have been made, to our practical knowledge, for many years.

I give Dr. Crawford, his committee, and his department, full credit for that. However, it is the feeling of this association, as expressed in the brief, that we are just starting this improvement. This particular development that we are latching onto is the only practical thing that we have. It is our feeling that, to a large extent—and I do not want to argue with my esteemed friend on this—this developed to an extent because of the initiative of the association. Personally, I am of United Empire Loyalist stock; I have no particular use for the United States, as such, as far as development of limbs is concerned.

but it has been and is still our feeling that throughout Canada and throughout our association somewhere, somehow, there are better appliances available. We have discovered one, and, due to Dr. Crawford's help and cooperation, we have been able to get some. However, we do feel, and we continue to feel there may be, somewhere, better arms; that there may be better below-the-knee fittings; there may be, somewhere, better training in the fitting of these appliances. A Hanger limb exhibited at the last convention, and a girl was typing with this. It was an exhibition that was put on. She typed with an above-elbow arm. When we tried one in our own area, we did not have the experience, and this is understandable. In the United States they have at least a population ten times that of Canada. We feel, and continue to feel that if a fitter came up, for example—despite the people who have been sent on courses—despite the satisfaction exhibited by present users of the hydra-cadence units, they could be improved. I personally feel that this type of suspension—it is a technical thing, and I may be treading on dangerous grounds, because I am not a limb fitter—is better than the bucket which was used prior to this. Despite the advances which have been made, we would like to continue these advances, and, if we can be of any help, in initiating it, say, by discovering some of these new appliances, or by other means, we would be glad to do so. As I say, there is still an element of dissatisfaction, despite the advances that have been made. That is all we are going to say.

Mr. O'LEARY: Mr. Chairman, although I do not want to labour this point, I think I can appreciate what Dr. Crawford said this morning just after Mr. Bell sat down. I underlined the sentence on page 8:

The results are not as good as those experienced by the three amputees who were fitted in California.

I do not think there was any evidence of that in Mr. Bell's remark.

Dr. CRAWFORD: I think that is right. All the results are not in yet. I very much doubt that the results achieved by our people will be significantly different from the results achieved by anyone else.

Mr. McINTOSH: In connection with the remarks which Dr. Crawford made relating to the statement made in the brief, I wonder if it is realized, also, that the amputees could never be satisfied with anything less than that which was equivalent to their own legs. If they could offer to Dr. Crawford any suggestions other than what he has set out in connection with, say, getting a better artificial limb, I think they should do so. Do you feel that Dr. Crawford's department is not doing sufficient in trying to obtain a better article? I know you are not satisfied, and I think Dr. Crawford appreciates that. However, can you suggest to him how he could assist you people? It is one thing to say that you are not satisfied, but, if you cannot offer a suggestion as to what he should do that he is not already doing, then I think there is an answer to your dissatisfaction.

Reverend LAMBERT: I think he is trying, you know. I am not a severe critic. I think he is trying, because it is only since he came—and he has not been here too long—that they have this new departmental prosthetics committee, of which Keith is a member. So, when all these distinguished people meet—and they are from various universities, qualified in research and so on—nothing but good can come out of it. This all came about because of that. Also, it came about because of demonstrations that we have put on before the amputations convention by people who are wearing these other appliances. This hydra-cadence is not the only one; there are others.

Mr. McINTOSH: Then, why this statement?

The Canadian limb fitters, in general, are not kept up to date in respect to fittings required for some of the new developments in artificial appliances.

Reverend LAMBERT: We say that because there has not been any improvement until just now, for a long, long time. It is the same old leg, and there is nothing done for the arms. If you ask the arms anything about it, they say nothing. They have not anything to offer that is worthwhile for a man with an arm off.

Mr. BENIDICKSON: Is there anything forthcoming from any other source?

Reverend LAMBERT: Well, we are trying to seek that out.

Mr. BENIDICKSON: But, we are here representing the people of Canada. I know of no committee where you have a better non-partisan spirit than you have in the veterans committee. I appreciate the tribute you have given Dr. Crawford. I feel that many people who returned from Hong Kong would not have been able to carry on without Dr. Crawford's imagination and inspiration. Although I am not going to defend the department in any way, shape or form, anymore than if I had been on the other side of the house, I, like Mr. McIntosh, always want to know if there is something better than we can do. That is the purpose of holding these committee meetings. I think the question was raised: "Where are these fittings: where are these better things?" Another thing I want to suggest—and this is not directed to the people that bring forward this brief, especially, but to any veterans organization—is that they can, because they are big and important, and so much respected, get, free, the very best professional advice across this country on any matter such as we are discussing here at the moment, in order to counteract any advice, if it is necessary, from government employees. We do not automatically support the opinions of our governmental employees, although we admire the work they do. For some particular departments—and in this one, particularly—I have great respect, but until we get evidence to the contrary, it is difficult to accept the statement as given there. As I say, I think you can get from professional sources, which are equal to what we have in the government service, free advice in this matter, and I hope the veterans never overlook their opportunities to get that information from across the land.

Mr. HOWE: As I understood it from Padre Lambert, there is an organization within Dr. Crawford's department, and, in association with him, which is continually experimenting or obtaining information relating to all these new appliances. Is information sent to this department by people that are doing research in these manufacturing organizations, or how is it done? How extensive is that committee?

Reverend LAMBERT: Dr. Crawford could answer that question.

Dr. CRAWFORD: May I answer that question?

The CHAIRMAN: Proceed, Dr. Crawford.

Dr. CRAWFORD: The advisory committee to which I referred is composed of my adviser in surgery, the chief of our orthopedic shop in Toronto, a member of the faculty of engineering at the University of Toronto, an orthopedic surgeon who is dealing now in the problems of amputees, and Mr. Butler, representing the users of these gadgets. Although we, as a committee, do not become apprised automatically on new developments in the field, information is gained through our factory in Toronto and from United States and United Kingdom sources and we, as a committee, are brought up to date from time to time. Our contacts are good.

I must agree with Mr. Butler that there are individual items available from commercial sources that in some ways, and for some individuals, are

better than the ones we supply. The problem which faces us, as I suggested earlier, is one of maintenance. We incorporate everything we can into our product to make it a better one, and we trust that we will be able to do better in the future. However, I do not want to prolong this discussion. I did feel that the wording of the brief damned prosthetic services unnecessarily, and I thought I had to put on the record a defence, which I suggest I have done.

Mr. JONES: From what has been said to the committee since the brief was presented, could we assume that it is fair to take from the war amputations association the feeling that their words were intended as words of encouragement to continue the lively and imaginative program which Dr. Crawford has instituted.

Mr. AGNEW: In our association we have an orthopedic committee comprised of three members. This committee is very active, and has brought forth a great deal of literature by way of our monthly and quarterly publications on prosthetic services. It has received letters from all over the world on the development of new prostheses. This hydra-cadence unit was brought to the convention in 1959 by this particular committee. The feeling of the association at the time was, why did the department not do something about it then? If they knew this hydra-cadence leg was in production in the United States, they did not inform the membership at large. Now, this committee is a sounding board for the rest of the association. We are the users of this gadget, as Dr. Crawford calls it, and we should be able to ascertain what we can or cannot use. It is fine for a medical doctor or a layman to say that looks pretty good as a unit, but it is the wearing of these units which is the proof of the pudding. It is easy for an engineer to say that this hydraulic will work, but it has to have somebody using it, and experimenting with it in order to bring in findings one way or another. All we are interested in are the results, and the results to us have been brought by our own committee, not by Dr. Crawford's committee. That is the feeling of the association. This orthopedic committee is very active. We do have our own disagreements with them from time to time. However, they are the sounding board, as I say, for the association as a whole. Believe me, it is a very active committee, and they all write some pretty strong briefs on it.

So, gentlemen, we are not crucifying anybody but what we are trying to do is find better appliances for the users of them.

The CHAIRMAN: Gentlemen, I have several names, and I am going to call them in the order in which they are listed. Mr. Kennedy is next.

Mr. KENNEDY: Mr. Chairman, I am in no position to speak for all arm amputees, but from my personal experience, I can readily see that a leg amputee must wear a fitting in order to be mobile. However, from my own experience, I never have really found the need for wearing an arm fitting, because I found that I could do about 98 per cent of the things I always did, without it. It cuts down my efficiency, and it is more awkward to do these things. In the beginning I did try to develop the use of an arm with which I was fitted, but in the type of work I was doing at the time, I figured it was more of a hazard than a help to me, because a person can become entangled in machinery, and that sort of thing.

However, two years ago, I attended Sunnybrook hospital, and from visiting the prosthetics department there, I noted that there was a tremendous development since 1945, when I first was fitted out in a hospital. Certainly, if I could find the time, I would be glad to go down and give them an opportunity to fit me out. However, I never seem to be able to find that time. It may be that my stump is shorter than most, but I have noticed that a lot of people who have more stump, do not wear them very often. Perhaps they feel the same as I do, that they can do the things necessary to ordinary living without it.

Mr. PUGH: Well, just from the conversation, I am inclined to agree with Mr. McIntosh and Mr. Benidickson. It is the old story of where there is smoke, look for a little fire.

We have had a good discussion on this, Mr. Chairman. The officials who have put this forward have not backed down one little. I liked your opinion of Dr. Crawford and the way it was expressed. It looks as if we have strong hopes for the future. If there is one thought I could leave at this time, I believe they possibly should have a better liaison with the department, through Dr. Crawford, or the committee that has been set up to deal with these things, and that the two should get together. Then, if anything comes on the market, which should be tried out, we could go ahead with it.

There is one thing which the medical profession of this branch should be congratulated on, and that is the fact that they are not just going to take these veterans and subject them, like guinea pigs, to anything that comes along. In other words, by trial and error, the end product is produced. The word we used was "experiment". I go along with Dr. Crawford's remarks, in that we cannot just dive in and start experimenting with men, who, of necessity have had to wear something over a long period of years.

I have spoken at length on this subject, but it seems to me that if there is any real or vital difference on this, the committee should hear about it. It is something about which we cannot decide right away. I think it should be put to the test, through liaison between the two groups.

The CHAIRMAN: Have you a comment, Mr. Weichel?

Mr. WEICHEL: In listening to this conversation, Mr. Chairman, I think perhaps one point which may be causing some dissatisfaction is the fact that three or four of my colleagues are wearing this new leg, and are finding it very satisfactory. Of course, they naturally are telling the other fellows about it, and as a result the others feel dissatisfaction in that they are not in possession of it, and are unable to obtain it within the next two weeks.

Three months ago I received a letter saying that I was included in this group who were trying out this new leg. I have been measured, but evidently I cannot get a fitting for about two months. I think possibly that our greatest point here is that we have to be a little patient. I think they are doing everything they can. As I said before, it has proven very successful, because I can still remember when Mr. Butler and Mr. Bell had the old legs; I used to call them "Limpy", and now they call me "Limpy". It has been reversed. That is what I mean. I think the other amps think that they probably should have this new leg overnight, and this is causing dissatisfaction.

The CHAIRMAN: Mr. Herridge.

Mr. HERRIDGE: Mr. Chairman, the first question I have arises out of a conversation I had with a couple of veterans in my constituency. I am prompted to ask this after hearing of the committee which is studying this question. Has this committee given any consideration to the artificial replacement of any other appendages of the body other than arms or legs which have been amputated?

Dr. CRAWFORD: Yes. We do have two units in the department, one at Sunnysbrook and one at Montreal, which are cosmetic shops, if we are to use that term. You and I tangled on this word before. Their function is to produce appliances of plastic or other materials which replace noses, ears and things which have been removed as a result of cancer, injury other disease. We have these, and we are rather proud of some of our results. These are not, however, really functional items. They are there to produce a cosmetic result. We think we do a pretty good job.

Mr. HERRIDGE: I have in mind things which properly would not be described as cosmetic but rather as creative.

Mr. BUTLER: I would like to make one thing clear. The wording in this may have been unfortunate. We have no intention of damning this committee or the department whatsoever. We feel that more advance has been made over the past two years than for many many years. What we are trying to express, properly or improperly, is that there is room for further improvement. I am sure, with the department and this committee, that this will continue. Shall we say that this in effect is an attempt to continue this progress. I hope I have made myself clear on this.

The CHAIRMAN: Thank you. I think we have had a good discussion on that subject.

We will pass on to the last subject which is free treatment—all conditions. Are there any questions or is there any discussion on this?

Mr. WEICHEL: Perhaps we might have an explanation in regard to this in a general way.

Rev. LAMBERT: We have submitted it in what we think is pretty good form. As soon as the Ontario hospitalization scheme came into being we met with Dr. Crawford and I think also with the minister about this matter of how our situation would be improved under this new scheme. We hesitated until such time as we found out whether or not the Ontario scheme would meet the needs of our highly disabled people.

The people in Canada all think we get treatment for everything in the world. Everybody I have met has thought so. The only thing we get treatment for as war amputees is the disability for which we are pensioned. We get this in a D.V.A. hospital—free accommodation, free medical and surgical treatment and all the rest of it.

I think we began to realize more than ever that one disability certainly affects the coming on of other disabilities. I know it is so with a lot of us. Pre-aging and such things come with it. We may not be able to prove it scientifically, but we believe that one disability brings along what you call consequential disability. That is a word I do not like. It is consequent upon. What we are asking is that we receive treatment for any other disability which comes on, because we feel that the original disability has a lot to do with the secondary disability.

The war veterans allowance people are the privileged people. I hope you do not mind my saying something about them. We speak for those who have disabilities which were incurred on service when we speak of the war amputations. We have mentioned the war veterans allowance people two or three times today. They have privileges on account of indigency. They can go into hospital, if they are in receipt of the war veterans allowance, for any cause whatsoever and they do not have to pay a dime. I do not know whether or not we are privileged veterans, but we were soldiers and our disability came because of service. Because of that we are asking that if any other disability comes our way that the Department of Veterans Affairs treat us for it. That is why these great big institutions came into being. I lived in one as a padre for nearly forty years, so I ought to know what I am talking about. I know these places should have been and were built for the care of the fellows who were wounded in the war; that is what they were for. I can tell you that just at the moment in any hospital where you go—take the one I know best, Sunnybrook hospital—you will not find very many there who are being treated for their war disability.

Mr. BENEDICKSON: A pensionable disability.

Rev. LAMBERT: Yes. The place is full of all sorts of people. I will not say too much about them, because I do not like gaining at the expense of anybody else. That never has been our policy.

Mr. McINTOSH: I think we should get something cleared here. Are these hospitals filled up with patients, thus keeping war disability patients out? You are not advocating that if there are beds available that they should not be used for some other purpose?

Rev. LAMBERT: I would not advocate that. But I would advocate that if a war pensioner has another disability and needs treatment he should be admitted to these hospitals free in preference to any others.

An hon. MEMBER: Hear, hear.

Rev. LAMBERT: There is no question about getting it for the war disability.

Mr. BENEDICKSON: Are you saying that the war veteran without a disability which is pensionable, if he is an indigent, gets the preference now?

Rev. LAMBERT: Whether through indigency or some other war disability; he may be a small pensioner. I am talking about the war veterans allowance people. I do not want to take anything away from them. Good luck to them. A lot of them were good soldiers. However, we are asking that because of the disability we have we be admitted to any D.V.A. hospital for any other disability whatsoever.

Mr. McINTOSH: Or illness?

Rev. LAMBERT: Yes. You see, the D.V.A. is making a fortune out of these hospitals, because under the Ontario plan you go in under that, and who gets the pay? The D.V.A. gets it. Good luck to them. We can go in under the Ontario scheme and be received into hospital there, and who pays the bill? We pay the premium on it and the Ontario government pays the bill.

Mr. BENEDICKSON: You mean that a pensionable veteran pays his individual premium?

Rev. LAMBERT: Yes.

Mr. BENEDICKSON: You are speaking of a D.V.A. hospital?

Rev. LAMBERT: Yes, under the new Ontario scheme. It is different in some provinces.

Dr. CRAWFORD: The department does not recover for the treatment of a pensionable disability.

Rev. LAMBERT: I am not saying that. If I have appendicitis and am admitted under the Ontario hospital scheme to Sunnybrook hospital I will be treated and the pay will be paid to the Department of Veterans Affairs by the Ontario hospital plan.

Mr. BENEDICKSON: But how do you get into Sunnybrook hospital for appendicitis? Is it because you are a pensioned veteran? Why would you not go to Toronto general?

Rev. LAMBERT: Because we think that the D.V.A. hospitals are better. Let me say that; it will please Dr. Crawford.

Mr. BENEDICKSON: You mean a veteran would choose to go to Sunnybrook?

Rev. LAMBERT: Yes, if he wishes.

Miss LAMARSH: Are there any women veterans who are amputees, and if so are they members of your association?

Rev. LAMBERT: Yes.

Miss LAMARSH: Are they in exactly the same status as the male amputees?

Rev. LAMBERT: Absolutely.

Mr. JONES: I think we should have on the record, before we get too far away from it, that there is not a fortune being made.

Mr. HERRIDGE: Mr. Chairman, a lady member of this committee was asking a question.

Mr. JONES: I am sorry. I thought you had finished.

Miss LAMARSH: These amputees are the same as the men.

Rev. LAMBERT: Yes.

Miss LAMARSH: Is any cosmetic work done in respect of the female amputees along the line of Mr. Herridge's question.

Dr. CRAWFORD: I am afraid I have lost the thread.

Miss LAMARSH: Everybody is being so subtle.

Dr. CRAWFORD: Female veterans have exactly the same entitlement to treatment at our hands as do male veterans. We do not discriminate in any way. Therefore if a service female who incurs an injury as a result of her military service enters hospital she is treated in exactly the same way. For any service connected disability she has entitlement to free treatment as do all other pensioners. If she becomes indigent she can, and some do, apply for war veterans allowance.

Mr. BENIDICKSON: What did you say?

Dr. CRAWFORD: In some cases female veterans become indigent and apply for war veterans allowance, which is granted; then she becomes a medical responsibility on the basis of indigence.

Perhaps I might shed some light on this, although it is not a cup which I prefer to drink, because in my heart I feel that the war amps have a very good case here; this is a matter of sympathy rather than logic. I think what Padre Lambert has said is worth listening to. These are people who are *Les Grands Blessés*. They are people for whom this department was set up to serve. As the years have gone by we have, for a variety of reasons, put more and more emphasis on other groups of veterans. Nevertheless, our mandate from parliament is to try to make good as best we can the ravages of war.

We treat pensionable disabilities in our hospitals at our expense totally. We also provide free treatment to veterans on the basis of indigency; on the basis that they cannot pay for medical treatment from other sources. We provide this treatment free in our own hospitals, or pay for it if it is provided outside our hospitals. We do this for these veterans who cannot pay for their own medical treatment.

Up until the present time there has been a tradition that those who can pay for medical treatment should do so and that those who cannot should get it free. We are following this long tradition. Frankly, I do not like this department to be placed in the position of being in the van of a state medical scheme, even with regard to a group which merits it as much as do the war amps. The war amps who cannot pay for medical treatment can benefit from other clauses in our legislation whereby any veteran can come into our hospitals and if he cannot pay, whether he is in receipt of war veterans allowance or not, receives treatment at our hands. I am referring to section 13 of our regulations. This is based on a means test. For the purpose of establishing this means test under section 13 the pension is not taken into account in assessing income. Therefore even a one-hundred per cent disability pensioner can disregard his income from his disability pension; we assess the remainder of his income and then say whether or not he is eligible under section 13 for free or partial payment at our hands.

Mr. BENIDICKSON: If he came in because of appendicitis and could not pay, all the rest is disregarded and the pension is disregarded.

Dr. CRAWFORD: Yes. We are attempting to maintain this principle, right or wrong. This is a matter which in due course will be decided by you gentlemen; that is, whether or not we are to have a state practice of medicine in this country and start providing free treatment for those who can afford to pay for it. It might resolve itself about as simply as that. We are providing the war amps

with free treatment if they cannot afford to pay for it. I sympathize deeply with the proposals which have been made. On the basis of sympathy I think it has a great deal of merit; but on the basis of logic all I can do is quote the facts.

Mr. BENIDICKSON: Would Dr. Crawford indicate what percentage of the occupancy in the hospitals is due to claimants who would be on an indigency basis rather than on the pensionable disability basis?

Dr. CRAWFORD: Indeed, I can, and you are in for quite a shock. Let us for the moment disregard the veteran who is being treated for mental disease or tubercuolosis. This is only in respect of those whom we claim as being in for general treatment.

Mr. BENIDICKSON: These mental or tubercular cases in Ontario would go to a provincial institution.

Dr. CRAWFORD: If we get them in our hospitals they are solely our responsibility for maintenance.

Mr. BENIDICKSON: But anybody else who was a mental or tubercular patient would be treated in Ontario in a provincial hospital free.

Dr. CRAWFORD: Yes, in Ontario. This, however, is general treatment. At the end of March last year—that is the end of our fiscal year—we had in departmental hospitals 5,798 patients. Of these 10.4 per cent only were being treated for their pensionable disability.

This is the group for which we were originally set up. Now it is only 10 per cent of our patient load—which incidentally represents something about 82 per cent of our capacity in our hospitals.

Mr. HERRIDGE: You mean 82 per cent of your capacity is entirely taken up by men and women who have served?

Dr. CRAWFORD: That is right. Eighty-two per cent of our beds are occupied, and by all reasonable hospital standards this is a full hospital.

Mr. BENIDICKSON: You mean your occupancy is about 82 per cent?

Dr. CRAWFORD: I think I can anticipate Mr. Herridge's question, because he has asked it before.

Mr. MCINTOSH: You could never get a 100 per cent occupancy.

Dr. CRAWFORD: It is extremely dangerous when you get over 80 per cent. We have one hospital running at 94 per cent, and another at 92 per cent, and I am frightened to death. This is too full. It does not allow you room to manoeuvre, or for division of cases. 80 per cent is a good level at which to operate. It is safe and economic to operate a hospital at 80 per cent, or slightly over.

Ten per cent of our veterans are in the pensioned disability class, and are being treated for their pensioned disabilities. Five decimal four per cent of our departmental beds are occupied by members of the armed forces, or members of the mounted police, because as a chain of federal hospitals, we feel we have an obligation to treat the wards of the federal government. Those people have medical care as a matter of right. Under the terms of their contract, we supply it in many of our hospitals, and our total occupancy by this group is to the extent of 5.4 per cent.

Our war veterans allowance recipients under active treatment account for 18.2 per cent. In order to distinguish active treatment cases, I shall come back to this group in a moment.

We have patients, veterans, paying either all or part of the cost of treatment, not out of their own pockets necessarily, but by virtue of a hospital insurance scheme of one kind or another. This accounts for about 30 per cent of our total departmental beds that are occupied by a non-entitled

veteran, if I might describe him in that way. They are people, veterans, who come into our hospitals and pay all or a part. Sometimes the department will pay if they cannot afford to pay. I mean the cost of hospitalization.

The majority of our beds, and this is an alarming situation—and perhaps when I am defending my estimates, I may have an opportunity to speak to it at greater length, because it is a matter of very grave concern to me—but 48.5 per cent of our departmental beds are occupied by veterans with chronic disease, or who are being given domiciliary care.

Mr. BENIDICKSON: Later on would you like to speak as to the relationship of that to the active load?

Dr. CRAWFORD: The fact is that almost half of our beds are being used by chronically ill veterans. The majority of them—I cannot give you an exact figure—but pretty close to all of these veterans are in receipt of the war veterans allowance. So that if we assume that 48 per cent are getting the war veterans allowance, it is almost true to add to that 18.2 per cent who are being treated under section 12 of our regulations, when we come up with the answer that 66.7 per cent of our total hospital beds are being occupied by veterans who are in receipt of the war veterans allowance.

Mr. BENIDICKSON: It is based on a means test.

Dr. CRAWFORD: That is right. And there is one other class which I think is of interest particularly to Mr. Herridge. It is section 21, whereby, as is general with federal hospitals, we provide hospital care to individuals who may or may not be—most of them are not—veterans, but who are nevertheless wards of the federal government. Under this section we treat sick mariners, and we treat certain civil servants who have returned from tropical places with exotic disease. We think we can examine them better in our hospitals. So this, in total, accounts for .9 per cent. That is less than 1 per cent of our hospital beds.

Mr. WEICHEL: Of that 48.5 per cent, how many would still be first war veterans, or have you any figures?

Dr. CRAWFORD: I have some raw numbers here, but I cannot give you percentages. However, under section 29, for example, we have 2,257 individuals from World War I, and 392 from World War II.

Mr. BENIDICKSON: Could you remind us what the purpose of section 29 is, just for the record?

Dr. CRAWFORD: Well, it is a section under which we can provide domiciliary care, long-term care, to certain eligible veterans. As to the question of eligibility it is the same sort of service which would make him eligible for the war veterans allowance. The criteria for admission to our hospitals are essentially physical ones. In other words, we will not take a man just because he needs a place to live. He must be ill, disabled. He must need hospital care of some kind before we take him in. Otherwise we try to find a boarding house for him.

Mr. WEICHEL: Does that affect those at Westminster hospital or at the lodge? Some of them are unable to look after themselves.

Dr. CRAWFORD: Yes. That is the key point. They are unable to look after themselves. I think the type of person we have in the Western Counties lodge are people who are reasonably mobile.

Mr. WEICHEL: Most of those men are on the war veterans allowance.

Dr. CRAWFORD: Yes, most of them are.

Miss LAMARSH: Is the war veterans allowance paid to all patients while they are in hospital?

Dr. CRAWFORD: No, it is suspended. I cannot give you the exact amount. But let us suppose that a veteran is receiving \$90 a month. This payment is suspended when he goes into hospital, because we are providing the care. But he is given, I think, something like \$10 a month for pocket money, spending money, and that sort of thing.

Miss LAMARSH: Does he ever get repaid the amount of the war veterans allowance which is suspended, when he is released from hospital?

Dr. CRAWFORD: As soon as he gets out of hospital, his war veterans allowance is at the same time again paid to him, but he does not receive his back pay. I think it is necessary to consider the fundamental purpose of the war veterans allowance. It was to take veterans off the street. It came about during the dirty thirties. It is quite different from the disability pension which goes to the man even when he is admitted to hospital, and in which care we give an additional treatment allowance. For example, if a man has a 50 per cent pension, we assume that when he is admitted to hospital he is, for that period of time, 100 per cent disabled through his disability. Therefore we provide a treatment allowance to make up his income to 100 per cent pension.

Mr. BENIDICKSON: It is paid less \$15.

Miss LAMARSH: It puts a premium upon his going into hospital.

Dr. CRAWFORD: Indeed it does. I agree. But I feel, if our argument is sound, that if a man is totally disabled to the point where he has to go into hospital, surely we are not wrong in admitting him, and paying his pension to him as if he were totally disabled.

Mr. BENIDICKSON: Does that go down to the lowest level of pensionable disability, which may be five per cent?

Dr. CRAWFORD: Yes, that is right. The only people who do not get a treatment allowance are the 100 per cent pensioners.

Miss LAMARSH: The only purpose of that legislation is to enable a person who has a pension to live as do his brothers who are not disabled.

Dr. CRAWFORD: I really do not wish to defend this attitude. The treasury board required us to deduct \$15 a month from this allowance. It is not quite up to 100 per cent; it is 100 per cent minus \$15, which is quite a different argument, and I am sure my friends would join me in this feeling. I feel that if we regard the disability pension as compensation for injury, it is not unreasonable for the state to make this good.

The CHAIRMAN: I wonder if I might interrupt here for a moment. We have been sitting much longer than we anticipated. It is making it rather difficult for the reporting staff. Would it be permissible if we left these questions and brought them up when we are considering the medical estimates? I am afraid we could spend another half-hour on this subject, if we continued the way we have. The reporting staff has been spoken for, as there are a number of other committees in progress.

Mr. BENIDICKSON: I think you are right, and I have been the worst offender. We should be hearing from our visitors.

Mr. HERRIDGE: Mr. Chairman, because this is related to Dr. Crawford's comments, I must say that it has been my experience over a good many years that the majority of these veterans only want to go into the hospital to take this care when they are completely unable to take care of themselves.

The CHAIRMAN: Are there any further questions to ask the delegation before us?

Mr. JONES: Mr. Chairman, seeing that Dr. Crawford is here, I feel we might clear up the point about the fortune that is being made in the care of these veterans. I do not think that should stand unchallenged.

Dr. CRAWFORD: It can be answered very briefly.

We are paid for the insured services we provide, and this does not include the treatment of a pensioned disability. We are paid a per diem rate by the hospital services commissions of the various provinces, and this is set by agreement with us. In the first place, this does not meet our estimated costs; we are operating at a loss in this respect. Nevertheless, our total take from this sort of activity is in the order of \$12 million. I expect our total recovery next year will be in the order of \$16 million. The total cost of running our hospitals is \$52 million. Therefore, it is still costing the federal taxpayer of Canada \$35 or \$37 million per year.

Mr. BENIDICKSON: If it is satisfactory to Reverend Lambert, perhaps we could obtain, for the record, a statement as to the cost charged to the hospital insurance commissions in the various provinces for a veterans hospital, say, vis-a-vis the general hospital or the civic hospital here in Ottawa, for a public ward rate.

Dr. CRAWFORD: We could do that, but I do not know whether it would be too helpful. The rate which is paid to us by the commission is a rate which they say they would pay to a comparable hospital in the community.

Mr. BENIDICKSON: But we would want to be answered, as a federal committee, that perhaps your charges are comparable to a hospital that is under the scheme, and comparable to a hospital that is not.

Dr. CRAWFORD: I can tell you very quickly, at any time, what our costs are.

Mr. BENIDICKSON: No, I am not asking what you charge. Take, for example, the hospital commission of the province of Ontario; I am thinking of a comparable basis for a charge that would be levied for myself, if, for a non-pensionable purpose I went into the Ottawa General or Ottawa Civic hospital. Am I clear on that?

Dr. CRAWFORD: Yes.

Mr. BENIDICKSON: What would the commission pay to the department, as compared to the expense to the commission of my stay under my insurance plan?

The CHAIRMAN: I wonder if that could be furnished the next time we meet, Dr. Crawford.

Dr. CRAWFORD: Yes.

The CHAIRMAN: I would like to know if there are any further questions to ask Reverend Lambert, or the officials who are here with him?

Mr. PUGH: I take it, the last section of the brief covers the question of when a person gets sick, you want to have your hospital insurance, which is one part of the payment, and treatment is the other. Those probably are the main things you want to have included.

Reverend LAMBERT: Yes.

Mr. PUGH: And you mentioned the reason why you wanted to do it was to get into a veterans hospital. But, if you got into the veterans hospital, you would have the treatment at the same time, and that is the point.

Reverend LAMBERT: Yes.

Mr. AGNEW: As it says here, we are conducting an investigation of this whole matter, and preparing case histories exemplifying the unfortunate position of the war-disabled under existing legislation. There have been cases in Victoria where a veteran has gone into the hospital there, and been presented with a bill of \$1,000, which he has to pay. It is quite a hardship on some of these persons who perhaps have a home of their own, or a little bit of income, and are trying to save something for their surviving widow. Now, they have

to pay this premium of \$1,000. That is the reason why we are documenting a lot of these cases, and we hope to be able to present thousands of them to you for your perusal.

In British Columbia we go to a veterans hospital, say, for instance, Shaughnessy, in Vancouver; we are very well looked after, as far as our pensionable disabilities are concerned, or if we go in for a non-pensionable disability, but we still have to pay the departmental charges, as far as the doctors are concerned. They have their rates, which are set, and if we are in there as a veteran for a non-pensionable disability, we have to pay that charge.

Mr. PUGH: It is much worse on a man who does not own his own home, but who has cash instead.

Mr. AGNEW: That is one of our grievances. The war veterans allowance recipient is allowed free treatment for dental work, glasses, hearing aids, and any appliances which we, as veterans or pensioners, are liable to pay for ourselves.

Mr. PUGH: Even with 5 or 10 per cent war veterans allowance, the same would be the case.

Mr. AGNEW: Yes.

Mr. BENEDICKSON: The statement was made, "We have to pay." I take it from that, that you are assessed. Would there be any evidence as to what percentage of the assessed accounts are, in fact, paid, either to the doctors or to the veterans hospital?

Mr. AGNEW: We are presented with a bill.

Mr. BENEDICKSON: That is what I mean. However, is there any evidence as to the percentage of payments?

Mr. AGNEW: I never have seen that evidence.

Mr. WEICHEL: Could I be told how many members are in the amputations association now and how many do not belong to the association?

Mr. BUTLER: There are about 2,600 who are members of the association. I cannot answer the second question.

Mr. WEICHEL: You have around 6,000 altogether, from the first and second world wars?

Reverend LAMBERT: There were that many, but there are less now. This new pension cheque came a little bit late, you know. Quite a number died before it came.

The CHAIRMAN: Are there any further questions?

Just before we close the meeting, and while everybody is quiet, I would like to ask the committee if we might set aside May 23rd in order to hear Mr. Chadderton and discuss the army benevolent fund, and bill C-88. I think we might handle vote 466 and the bill that day. Would it be agreeable if we arranged for this on May 23rd?

Some hon. MEMBERS: Agreed.

Mr. HERRIDGE: If I may, Mr. Chairman, I have one further matter to bring up.

About a month ago I moved a motion for the production of the table of disabilities, which was carried unanimously by the house and which, I understand, the Canadian pension commission has delivered to the department. Because of its relationship to certain questions that will be asked, could the department inquire if that could be tabled before our next meeting?

The CHAIRMAN: Yes, I will. Would you like to have it before this committee?

Mr. BENEDICKSON: Do you mean the war veterans allowance?

The CHAIRMAN: No, the table of disabilities for pensions.

We will try to obtain that information for you, because it was mentioned today that it had been sent over.

At this time I would like to thank Padre Lambert and his colleagues for the very good discussion we have had.

I also would like to thank Dr. Crawford and the officials who attended with him today.

We have had a very long discussion today. I think that we have gained a lot of useful information.

We hope you gentlemen have a safe return home, and we will look forward to seeing you in the future.

Mr. WEICHEL: Mr. Chairman, before we close, would it be in order if I suggested that we ask Mr. Butler to show us how he walks. This could be done after the committee, and perhaps we could use the outside hallway. Mr. Butler had a greater limp than I have right now, when he was wearing the old leg, and you ought to see him walk today. I would be very pleased, Mr. Chairman, if the members of the committee were given the opportunity of watching Mr. Butler walk.

The CHAIRMAN: Yes, that would be a fine idea.

Rev. LAMBERT: I have been here many many years. I have been the president of the war amputations association—first of all the fragments from France—since 1920. I do not know how many parliamentary committees we have met down here. The people who come down with us now are a younger group of smart, young, brilliant and courageous men who say a lot more things than we ever said. All I said was that the department was getting a fortune out of it and they dispute me immediately. These young fellows are really aggressive and they do not care about government officials. They were sergeants, sergeants major and many of them were officers; they are aggressive.

I can assure you this is the last time I will come. These young fellows will be here. Don't worry if they battle with Dr. Crawford. We respect him very much; we love him, because he has done more than anybody ever tried to do for us. If I was sure I would not be quoted, I could tell you about things in the department of prosthetic services which would make your hair curl. Now we are taking the bit in our teeth and are doing something about it. These young fellows here all are second world war veterans. We are the fellows who fought all those years ago.

I would like to thank you sincerely. You really have learned something today. You have gone a bit deeper into the picture than has any veterans affairs committee before. I thank you sincerely, ladies and gentlemen. We may have rubbed it in a bit and used some terminology which is sort of soldier language, but do not mind us. I did not do this. This was done by a lot of young fellows who don't give a continental. This committee gave us this twenty per cent increase.

Mr. JONES: Plus thirty-three and a third for the children.

Rev. LAMBERT: This is what you have done for us and you have our gratitude.

Thank you very much for this fine hearing, and thank you, Mr. Chairman, for your courtesy.

The CHAIRMAN: Thank you.

We will meet on May 16, next week, at 9:30 in the morning.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61



STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

MAY 16, 1961

ESTIMATES (1961-62) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

From the *Federation of British Canadian Veterans of Canada*: Mr. V. Bishop, president, and Mr. A. Willings,

From the *Department of Veterans Affairs*: Mr. L. Lalonde, Deputy Minister; Mr. F. T. Mace, Assistant Deputy Minister; and Dr. J. N. Crawford, Director of Treatment Services.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Howe	Parizeau
Batten	Jones	Peters
Beech	Kennedy	Roberge
Benidickson	LaMarsh, Miss	Rogers
Broome	Lennard	Smith (<i>Lincoln</i>)
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McFarlane	Thomas
Fane	McIntosh	Webster
Forge	McWilliam	Weichel
Fortin	O'Leary	Winkler.
Herridge	Ormiston	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, May 16, 1961
(15)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Beech, Carter, Fane, Herridge, Howe, Kennedy, Lennard, MacEwan, MacRae, Matthews, McFarlane, Montgomery, O'Leary, Pugh, Rogers, Smith (*Lincoln*), Stearns, Thomas, Winkler.—(19).

In attendance: Mr. V. Bishop, President of the Federation of British Canadian Veterans of Canada; Mr. A. Willings, member of the said Federation; Mr. L. Lalonde, Deputy Minister of the Department of Veterans Affairs; Dr. J. N. Crawford, Director of Treatment Services; Mr. F. T. Mace, Assistant Deputy Minister.

On motion of Mr. Winkler, seconded by Mr. Lennard,

Resolved,—That the Committee seek permission to reduce its quorum from 15 to 10 members. *Carried*.

The Chairman called the witnesses from the delegation, Mr. V. Bishop and Mr. A. Willings, and introduced them to the Committee.

Mr. Bishop read the brief submitted by the Federation of British Canadian Veterans of Canada and was examined thereon.

The Chairman thanked the Delegation and complimented them on their brief.

The Chairman then indicated that Item 478—*Repayments under Subsection 3 of Section 12 of the Veterans Rehabilitation Act* had been adopted on Tuesday, May 9, 1961 and called item 456—*Operation of Hospitals and Administration*.

The Chairman called Mr. L. Lalonde and Dr. J. N. Crawford, who were examined by the Committee.

Item 456 was adopted.

At 10.55 a.m. the Committee adjourned until 9.30 o'clock a.m., Thursday, May 18th.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

TUESDAY, May 16, 1961.

The CHAIRMAN: Gentlemen, will you come to order?

Before doing anything else, we are making a report to the house next Tuesday and I should like to ask do you think we should consider asking for a reduction in our quorum from 15 to 10?

Mr. MACEWAN: Is that a reduction in salary?

The CHAIRMAN: No, in quorum. If you think we should carry on as we are, then all right, but there seems to be a little difficulty in getting a quorum.

Mr. WINKLER: There seems to be a waste of time in waiting for a quorum.

The CHAIRMAN: Is anyone prepared to make a motion?

Mr. WINKLER: I move that when we make a report to the house we ask to have our quorum reduced from 15 to 10.

Mr. LENNARD: I second that.

The CHAIRMAN: Does anyone wish to discuss the motion? Then, will those in favour raise their hands?

Motion agreed to: yeas, 11; nays, nil.

The CHAIRMAN: This morning we have with us a delegation from the federation of British Canadian veterans, and there are no briefs to be delivered. The federation mailed out a few briefs about three months ago. I have one and some other members of the committee got them. However, if you have not got them with you this morning there is nothing we can do about it.

I shall now call upon Mr. Bishop and Mr. Willings to come up to the front. Mr. Bishop is the pensions officer of this organization and, as we are all pressed for time in these matters, he will start by reading his resolutions. Then members of the committee may ask him any questions they wish. If you will introduce your associate, Mr. Bishop, we shall start.

Mr. V. H. BISHOP (*Pensions Officer, Federation of British Canadian Veterans*): Good morning, gentlemen, and thank you very much, Mr. Chairman. I should like to introduce to you Mr. Albert Willings, a member of the first battalion of the Cheshire regiment, who fought through the battle of the Marne. I myself am an immediate past president of the Federation of British Canadian Veterans and now act as pensions officer of the organization. In the first world war I served with the Worcestershire regiment, and in the second world war with the Canadian army.

The CHAIRMAN: Gentlemen, can you hear the witness?

Some hon. MEMBERS: Yes.

Mr. BISHOP: This is a resolution which was received at our sixteenth annual convention, held on September 17 and 18, 1960. Section 30, sub-section, 3(b), of the War Veterans Allowance Act, amended November 1957, qualifies that a Canadian veteran who left Canada to serve during World War 1, remaining in the United Kingdom for 365 days, prior to the 12th day of November, 1918, shall be entitled to the benefits of the act, providing they meet the requirements of the act, as qualified therein. The federation of British Canadian veterans of Canada therefore recommends, by this resolution:

that all commonwealth and allied veterans who served with the forces of his Majesty, during World War 1, who left their native shores,

in the same manner as the Canadian veteran, and also served 365 days in the United Kingdom, shall be included in that Section, as described, of the act, by amendment thereto.

The South African, Australian, New Zealand and Indian veterans are amongst those who left their native shores to serve overseas, but similar to the Canadian veteran, could not leave the United Kingdom.

This, gentlemen, is a resolution which the federation recommends for your consideration.

The CHAIRMAN: You might continue to read the remaining resolutions.

Mr. BISHOP: Resolution No. 2:

Fully agreeing, and cooperating with, the resolution submitted by the Canadian Legion, B.E.S.L. June 9th and 10th, 1960, to veterans affairs committee, pertaining to amendments to the W.V.A. act, we fully support the following: section 30(11)(b) of the act defines the eligibility status of common-law union which has been transacted by a veteran for cause, should he become an applicant-recipient whilst surviving of war veterans allowance. However, if he was not a recipient whilst surviving of war veterans allowance, his common-law widow is deprived or any benefit under the widow's allowance.

The federation of British Canadian veterans of Canada therefore wishes to bring to the attention of the veterans affairs administration, that the essence of the section, legally, in its definition, unites, after a period of seven years, both the veteran and his partner for the purpose of eligibility, if desired. Why the cleavage of this section because the veteran did not make application whilst alive? We recommend that the section be amended: "the veteran survives, or is demised," at the termination of section (11)(b).

Resolution No. 3:

The present rates of allowance for the single recipient of W.V. allowance (\$70 a month) and (\$120) for married has been in force since 1957. It is needless to mention that this recipient must shop in the same market as his neighbour, despite the increase in the cost of living since 1957, and there has been no corresponding increase in war veterans allowance.

The federation of British Canadian veterans of Canada therefore recommends, that: the rates mentioned should be increased to \$100 a month single, and \$140 a month married, at least.

Resolution No. 4:

The present permissible ceiling income of \$1,080, per annum, single, and \$1,740, married, has been under constant vigilance by all national veteran bodies since 1952. It has been considered totally inadequate thus making it difficult for the recipient to obtain the full benefit he should receive from, for example: civil service superannuation, industrial pension, disability pension and old age security—he having contributed, financially, to the first two pension schemes, has earned the third and fourth, by service and loyalty, to Canada.

The federation of British Canadian veterans of Canada therefore recommends, that: the permissible income ceiling be increased to \$1,200, single, and \$2,000, for married per annum, respectively, at least.

I am going to close the resolutions here, because at our convention in September, 1960, we decided we would withdraw some of them.

The CHAIRMAN: That completes your presentation, gentlemen.

We will first deal with resolution No. 1. I will read the resolution again for those who do not have a copy. The first resolution is that all commonwealth and allied veterans who served with the forces of his majesty during World War I, who left their native shores, in the same manner as the Canadian veteran, and also served 365 days in the United Kingdom, shall be included in the section of the War Veterans Allowance Act. The South African, Australian, New Zealand and Indian veterans are amongst those who left their native shores to serve overseas, and are similar to the Canadian veteran who served in the United Kingdom.

You wish us to consider that the 365 days served in the United Kingdom would qualify them for the war veterans allowance. Is that it?

Mr. BISHOP: The 365 days served in India or on the Northwest Frontier.

The CHAIRMAN: Are there any questions?

Mr. CARTER: There are different groups who served in India. Are you including all the groups under this?

Mr. BISHOP: We feel we would like to include anyone who was granted the Indian general service medal with the Afghanistan clasp. That could take effect as of the fourth day of August, 1914, to the 31st day of August, 1921. We must realize at this time that those men were on active service and, through no fault of their own, many of them who were serving veterans in the imperial regular army were left in India whilst members of their own unit came back with the 29th division to go to France, and later Salonica and Mesopotamia. We feel they are quite eligible, although they do not come under the grant or the award of the victory medal. We feel that the Indian general service medal and the Afghanistan clasp means just as much to those men as the victory medal.

Mr. SMITH (*Lincoln*): Could the witness give us any idea as to the number of men in Canada who would qualify under this suggested change in the regulations.

Mr. BISHOP: One again, I believe the numbers would be very few. However, we must try to protect that certain few, if it is possible. Some of these men have been living in Canada for forty odd years; they have raised their families here; they have paid their taxes here, and in 1939 to 1946 they sent their sons and daughters overseas. This also applies to the old imperial veteran who was living in Canada before World War I. All these things enter into the picture.

Mr. WINKLER: I would understand that all these are impartial veterans.

Mr. BISHOP: Most of them would be; but we used the expression commonwealth veteran because we are fighting for all the commonwealth which we are a part of, right here in this broad dominion of ours.

Mr. WINKLER: Are these people covered in any way in Great Britain? Had they remained in Britain would they be covered by similar pension legislation?

Mr. BISHOP: We must remember that the pension system in the old country is different. They do not have such a thing as war veterans allowances. If there is a disability pension they would be entitled to that.

Mr. CARTER: May I ask whether or not one of these people would now be eligible for the war veterans allowance if he is in receipt of a pension from the British ministry of pensions?

Mr. BISHOP: If he was receiving a small disability pension, due to the fact that he does not have the victory medal he would not come under the war veterans allowance because he does not have entitlement.

I have a case of a man who served twelve and a half years in the British army. He passed away five years ago. We tried to get his widow on the war veterans allowance, but the stumbling block was he did not have the victory medal. This is the discharge certificate of William Henry Harrison, second battalion, Somerset light infantry: first class Lewis gunner, British war medal, Indian general service medal and Afghanistan clasp; chevrons, one red and five blue; enlisted in London on October 21, 1907, and discharged on March 31, 1920.

Mr. CARTER: Can you tell us if the British regard the victory medal and the Indian general service medal as equivalent?

Mr. BISHOP: I am not sure I can answer that.

Mr. CARTER: I do not understand why these people would not qualify for the victory medal. That is part of my problem.

Mr. SMITH (*Lincoln North*): I have done quite a little research into this matter over a period of years. I am sorry I did not know you were going to deal with it today or I would have brought my file. From the information I have been able to gather, from the colonial secretary and the British government, it appears there was only a small group of about five thousand of these people who served on the Afghanistan front. They did not receive the victory medal. That is the reason why Canada does not recognize them as being eligible for the war veterans allowance. However, there were very many more imperial veterans who served in India and received both the Indian service medal and the Afghanistan medal as well as the victory medal. This small group was stationed on the border of Afghanistan and was not considered as being in a theatre of war simply because war had not been declared then, although they were subject to as much warfare as were those who were in any part of India.

If there were only five thousand to begin with and probably ten per cent came to Canada, I figure there would probably be less than ten altogether right across Canada. It is a very small group we are thinking about. I happen to know of three cases myself, and I know of the one which has been mentioned here. We are not talking about a lot of money or a lot of people. It is a very small amount, and for that reason a year ago I felt that perhaps we could recognize the Indian general service medal and the Afghanistan clasp in lieu of the victory medal.

Mr. CARTER: I missed the early part of the brief. I understand that previously they based their request on the equality of the two medals. However, from what I have heard now I gather you are shifting that to 365 days service in India.

Mr. BISHOP: Yes; the same as the 365 days served by the Canadian veteran in England.

Mr. CARTER: You consider 365 days service in India the same as 365 days service in England?

Mr. BISHOP: Yes; on the condition that they have the general Indian service medal and the Afghanistan clasp.

Mr. HERRIDGE: Would the witness inform the committee when this organization first started to make representations in connection with this matter, and would he say whether or not they have discussed it with any member of the cabinet or any of the senior officials of the department?

Mr. BISHOP: Our first correspondence on this matter was as early as 1958. I have correspondence with me with the late pensions officer. When he passed away, I took over from him. There is a lot of private correspondence between different members of the House, which I do not have with me, but there is

quite a lot from yourself. I am speaking of Comrade Stephen Jones, if you remember him.

Mr. HERRIDGE: Yes.

Mr. BISHOP: We first started in 1958.

Mr. HERRIDGE: Did the former officers, or any of the present officers, have a discussion with the Minister of Veterans Affairs?

Mr. BISHOP: None whatsoever.

Mr. HERRIDGE: Representations have been made directly to this committee, or to members, individually?

Mr. BISHOP: That is correct.

Mr. CARTER: I would like to have clarification on how far the widows of those pensioners who are living in Canada would be covered by the change in the legislation which was made here a little while ago.

Mr. BISHOP: None whatsoever.

Mr. CARTER: I thought that there were changes in the last legislation which covered the widows of imperial pensioners.

Mr. BISHOP: Not in this group, Mr. Chairman. They won't recognize the veterans, and they will not recognize his widow.

Mr. CARTER: The problem is to recognize the veterans.

Mr. BISHOP: We must first secure recognition for the veteran, before we can get anything for the widows.

Mr. STEARNS: I am not quite clear on one point. You say that you would like to have the word "India" added to Great Britain, for the 365 days service? Are you going to get the same cut-off date, November 1918? You mentioned 1921.

Mr. BISHOP: November 4 was the commencement of World War I. Oh, pardon me, I should have said August 14. There is a paragraph which I shall read: this is the War Veterans Allowance Act, chapter 290, R.S.C. 1952, section 2, subsection 1, paragraph (i) subparagraph (iii):

World War I, which for the purposes of this act shall be deemed to have commenced on the 4th day of August, 1914 and to have concluded on the 31st day of August, 1921;

Mr. CARTER: The problem is to get these people recognized as veterans having served in a theatre of war.

Mr. HERRIDGE: I have one in my constituency. I should judge there would not be more than 50 in the whole of Canada.

Mr. BISHOP: I believe you would be correct.

Mr. THOMAS: I understood the cut-off date was November 11, 1918, as far as that 365 days of service in England was concerned. I know of one case who served plenty of days in England, but they were served after November 11, so he could not qualify for the veterans allowance. I wonder if we could have that fact clarified by the departmental officials.

Mr. L. LALONDE (*Deputy Minister*): That is correct. The cut-off date is November 11, 1918 for these people.

The CHAIRMAN: Are there any further questions? If not, let us go on to resolution two.

Mr. SMITH (*Lincoln*): Before you pass on, it has been ascertained now that the cut-off date was November 11, 1918, when the war finished? But suppose the cabinet were to give consideration to recognizing these Afghanistan veterans as having a cut-off date of 1918. Would that affect your proposal very much?

Mr. BISHOP: We would go along with it. We would go back to November 11, 1918. We would definitely do that.

Mr. HERRIDGE: Do you have to comply?

Mr. BISHOP: We have to comply with the previous administration, yes.

Mr. SMITH (*Lincoln*): The only thing you are asking for is to accept the Afghanistan medal in lieu of the veterans medal.

Mr. BISHOP: That is correct, the Indian general service medal and the Afghanistan medal.

The CHAIRMAN: The second resolution asks that the period of residence in Canada be seven years. Is that the sum and substance of it?

Mr. BISHOP: Yes.

The CHAIRMAN: Could it apply to the widow as well as to the veteran? I thought you had discussed that under resolution one pretty well, had you not?

Mr. CARTER: How many years did you say?

The CHAIRMAN: Seven years residence in Canada.

Mr. CARTER: For the widow.

Mr. BISHOP: That is under common law. This is rather a ticklish resolution. However, you must remember that these resolutions are submitted at conventions, and they must be put forward. But I still think it has its own bearing, 100 per cent.

Mr. CARTER: That would follow automatically, would it not, if you recognized the veteran. You would not have him different from any other veteran.

Mr. BISHOP: That would be correct, if it had already been recognized by the Department of Veterans Affairs.

The CHAIRMAN: Resolution three.

Mr. HERRIDGE: There would not be many of these veterans of that age with a common-law wife, would there?

Mr. BISHOP: You would not think so.

Mr. HERRIDGE: Unless it is starting a new formation.

The CHAIRMAN: Resolution three recommends an increase in the rates to \$100 a month for single, and \$140 a month for married veterans. I think the resolution on the order paper would have something to do with this, would it not, Col. Lalonde? This might at least be partly covered, or can we say that?

Mr. WINKLER: Just say that it is being dealt with.

The CHAIRMAN: I suppose we cannot answer that question. We do not know. It purports to indicate an increase.

Mr. BISHOP: Yes, it does.

Mr. CARTER: You are recommending this for war veterans allowance?

Mr. BISHOP: Yes, as a ceiling.

Mr. HERRIDGE: You did not realize that we are liable to have the box opened today with respect to this legislation. The lid was taken off, but we did not see what was inside.

The CHAIRMAN: Resolution four recommends an increase in the permissible income to \$1200 for a single person, and to \$2000 for a married person.

Mr. BISHOP: There again, Mr. Chairman, I think that would apply to some of the legislation which has been brought in during your meetings, and before this resolution was put forward. I think it would take care of that.

The CHAIRMAN: This would cover it all.

Mr. BISHOP: Yes, and I would withdraw the rest.

The CHAIRMAN: That covers the presentation. Are there any general questions on it?

Mr. STEARNS: How many members are there in your organization?

Mr. BISHOP: In the federation of British Canadian veterans of Canada there are around 14,000, in south-western Ontario and so on.

Mr. SMITH (*Lincoln*): Do you have a breakdown as to the percentage of first and second world war veterans in that figure?

Mr. BISHOP: I believe there would be a majority of second world war veterans. We must remember that the first world war veterans are steadily passing away.

Mr. HERRIDGE: Do not keep reminding us.

The CHAIRMAN: Does Mr. Willings have anything to say?

Mr. A. WILLINGS (*Federation of British Canadian Veterans*): I do not have much to say, except that I am enjoying being here. I was one of the original organizers of this federation in 1926. I was president twice and was vice-president once. I was on the provincial council for seven years.

Mr. HERRIDGE: I am looking over a copy of the brief presented by these gentlemen. I notice there are several resolutions which have not been dealt with.

Mr. BISHOP: I have withdrawn these for the present time.

The CHAIRMAN: If there are no further questions, I would like to thank you, Mr. Bishop and Mr. Willings, for your presentation.

Mr. BISHOP: Thank you Mr. Chairman and gentlemen for listening to me on behalf of my unit, the federation of British Canadian veterans of Canada. We do appreciate the opportunity of appearing before you. Let me say this: he served his fellowman. What can be said greater than that of any warrior.

The CHAIRMAN: Gentlemen, we will now consider the estimates. We are on vote 456.

Item 456: Operation of hospitals and administration including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for hospital and related services \$45,217,346

Mr. HERRIDGE: I have a question of Dr. Crawford based on a letter which I received in February. The United Council of veterans associations were informed of the fact that the position of receptionist at Sunnybrook military hospital is to be abolished after March of this year, and that the duties previously performed by this receptionist would be turned over to various members of the present staff. They say they feel this action not only will have a detrimental effect on the veterans but also on the visitors for whom this receptionist has performed a much needed service. Do you have any comment on that?

Dr. J. N. B. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): The situation is that at Sunnybrook hospital we have had uniquely a position of receptionist whose job has been to receive visitors and delegations and show them around the hospital. She would tell them where the veterans are in whom they are interested. This function has been very useful to veterans and veterans organizations. I admit this. The incumbent of this position now has reached retirement age, and indeed has one extension. We propose to abolish this position. We are doing so because our total establishment is carefully limited by the civil service commission and the treasury board—properly so I think—and we must justify every position in our system.

I would remind you that we do not have this position of receptionist in any other hospital in the D.V.A. system. Our veterans visitors and veterans groups seem to suffer no real disadvantage because of this lack. Moreover, I am desperately searching for essential positions in my establishment—technicians, laboratory workers, x-ray operators and this sort of thing. When I see a position which after all is a luxury and see the operation of my organization suffering for lack of an essential person, I ruthlessly chop off the luxury position and go for the essential one. This is exactly what I have done in this case .

Mr. HERRIDGE: Why was it established in the first instance if it was considered to be a luxury?

Dr. CRAWFORD: I am sorry, Mr. Herridge, but I cannot answer that question from my own knowledge. This happened a great many years ago at a time when I think money for the operation of veterans affairs hospitals perhaps was a little easier to find. I think this position was established as a result of local pressure brought to bear on the department at that time.

Mr. HERRIDGE: Have you had any direct complaints from veterans organizations?

Dr. CRAWFORD: I, myself, have had no complaints; but complaints have been received in the department. I know the minister has received comments on this from veterans groups, particularly in the Hamilton area. I have explained the situation to him and he has agreed with my point of view.

Mr. ROGERS: Was this receptionist in addition to someone who looked after the desk?

Dr. CRAWFORD: Yes, indeed; it was an additional position. We have commissionaires at the desk. We can do this job quite well in Sunnybrook hospital without this additional person. We do this in all the other D.V.A. hospitals.

Mr. BEECH: Was this receptionist acting as sort of a hostess and providing additional facilities?

Dr. CRAWFORD: She conducted tours about the hospital and served a very pleasant function. I admit this. If I had unlimited resources, I probably would go forward with this position because it is good public relations; but frankly I cannot afford this type of a luxury.

Mr. LENNARD: I might say, Mr. Chairman, as one who represents part of Hamilton area, we had this complaint and we took it up with the department. I got what I thought was a fair answer and I wrote back to the veterans' organizations which wrote to me, and said we would wait and see how it worked out. After all, we should be out for economy, where economy is justified. For Mr. Herridge's benefit, we did not neglect this thing by any means. We have to be fair and I merely told our veterans' organizations that I would like to hear from them in six months or a year's time, when they could give me their reactions.

Mr. HERRIDGE: Mr. Lennard, I did not suggest you ever neglected anything.

Mr. LENNARD: I wanted you to understand that we were not asleep.

Mr. HERRIDGE: In essence, the same duties are being performed by a commissionaire?

Dr. CRAWFORD: And others.

Mr. HERRIDGE: And other personnel?

Dr. CRAWFORD: Yes.

The CHAIRMAN: Are there any further questions?

Mr. MACRAE: Mr. Chairman, are we just dealing with this one item on number 456?

The CHAIRMAN: You can deal with any item under it. However, I should like members to go down through the items in sequence.

Mr. MACRAE: I have a question on fees, which is down number 4.

The CHAIRMAN: Professional and special services?

Mr. MACRAE: On doctors and consultants.

Mr. HERRIDGE: I suggest that we take them in order.

The CHAIRMAN: Is there anything on the first one—salaries and wages? If not, we shall carry on.

Mr. HERRIDGE: I thought you were on vote number 456.

The CHAIRMAN: We are.

Mr. HERRIDGE: Then our next vote is number 457.

Mr. WINKLER: You are in an awful hurry.

The CHAIRMAN: The first subitem is salaries and wages. They are a little higher this year. Are there any questions? If not, we shall pass on. Are there any questions on allowances—\$62,500.

Mr. THOMAS: I wonder could Dr. Crawford explain why this figure is up for 1961-62, while the forecast of expenditures is down for 1960-61.

Dr. CRAWFORD: You are referring to our forecast, which is not down but up.

Mr. THOMAS: I am referring to the period 1961-62. Your latest forecast of expenditures for 1960-61 is \$40,000, and that is \$1,000 less than the total appropriation for 1960-61.

Dr. CRAWFORD: These allowances are for quarters to internes, resident students who are in the hospital. If they are living in the hospital they are provided with accommodation at a certain rate but, if they are living outside, they are provided with a cash allowance in lieu, and this rate has been increased.

Mr. CARTER: Are there more of them this year? Why is there a 50 per cent increase?

Dr. CRAWFORD: There is no increase in numbers. The rates have been increased.

The CHAIRMAN: We shall move on to professional and special services—\$2,256,000. If there are no questions, we shall move on to hospitalization in other than D.V.A. institutions—\$4,340,000. Any questions?

Then we shall move on to fees—doctors and consultants D.V.A. institutions—\$3,551,000.

Mr. MACRAE: I notice this item is up by approximately \$500,000 or \$600,000. Is that due to an increase in the use of the services of doctors and consultants, or is it due to an increase in fees? Secondly, is there a special scale—I presume there is, in fact I believe there is, and I believe also that doctors and consultants charge less for working in D.V.A. hospitals than they do in private practice.

Dr. CRAWFORD: First of all, I should explain that we pay permanent specialists and some general practitioners who work regularly in our hospitals on what amounts to a retainer basis. We pay them for so many half days that they spend in our hospitals each week. The rate for this activity has not been changed for a number of years, nor has it been changed this year. We estimate that we obtain the services of these people for something less than 60 per cent of the cost than it would be if we paid them on a fee-for-service basis.

That answers one part of your question. We are getting a very fine service at an absolute minimum of cost.

The explanation of the increase is merely that we are allowing for greater utilization of these specialists. As the years have passed there have been some mutterings from the specialists involved that they are working too cheaply. Now, we have not changed the rates but we have allowed for the payment of more half days per month to some of the men who are coming in over the weekends and at night, and that sort of thing. That is what accounts for the difference. The rates remain the same. I may add that the fee for a specialist is \$36 a half day.

Mr. MACRAE: I have one final question. I understand you have at your disposal the services of the most able specialists in Canada for the treatment of veterans?

Dr. CRAWFORD: I think that is true and in obtaining these men we do not rely only on our own judgment. We also rely on the judgment of the medical faculties of the nearby universities. We are intimately tied in with the universities, wherever that is geographically possible, and we accept the advice of the deans, the professors, and the heads of the medical departments in the universities as to the choice of people we should have on our staffs. I think it is safe to say that, in the D.V.A. medical branch, we have the very best medical specialists who are obtainable in Canada.

Mr. O'LEARY: Do any of the personnel included here act in the capacity of medical advisors to the pension commission at head office?

Dr. CRAWFORD: No sir. The pension commission is autonomous and has its own doctors. However, through the services given by these men we do provide the pension commission with specialist opinions in many instances. This is often done at the request of the Canadian pension commission, but these men are not medical advisors to the commission.

The CHAIRMAN: Are there any questions on the next item, the corps of commissionaires services—\$720,000?

Mr. McFARLANE: I notice that this is up \$30,000. In view of the previous statement by the hon. member from Kootenay West, may I ask could one of these commissionaires be taking the part of the party whose position is being abolished?

Dr. CRAWFORD: It is down, sir.

The CHAIRMAN: No, it is up.

Dr. CRAWFORD: Then this is an adjustment of rates all across Canada. I do not think the numbers have altered very much.

The CHAIRMAN: Then we shall pass on to the Canadian Red Cross Society—arts and crafts program—\$104,000.

Mr. HERRIDGE: How is that undertaken, and what supervision has the department over these expenditures?

Dr. CRAWFORD: As you know, the arts and crafts program is an extremely valuable one to us. Really it is the key to our rehabilitation program for elderly veterans. It is supplied to us through the volunteer workers of the Red Cross organization and, if it were not supplied in this way, I feel I should have to supply the same service by establishing additional civil service positions.

I should add that we pay part of the cost of the total operation. The Red Cross, of course, provides a portion of it as part of the organization's national effort. Up until last year the proportion of the cost which we paid was on the basis of a rather complicated mathematical formula, dating back to about 1955, or something like that, and also based on what the establishment was then.

Now, as is common knowledge, the Red Cross is running into financial difficulty. Doctor Stanberry, the commissioner, came to me some months ago and told me so. I said that I thought we should pay a greater percentage of the cost than we now pay and, as a result, we have agreed to pay 60 per cent of the total cost of the arts and crafts program, so you will note there is an increase which represents that amount of money.

The control which we have over the expenditures involved is simply that no worker can be added to the Red Cross establishment by the Red Cross society without prior consultation with and agreement by ourselves. If we agree that a worker should be added to the establishment then, under our new formula, we will pay 60 per cent of the cost of that worker.

Mr. McFARLANE: But, Doctor Crawford, did you not say this work was carried out by volunteer workers?

Dr. CRAWFORD: That is only partially true. They have salaried personnel in charge of the shop, and there are volunteer workers who come in and join them.

Mr. HERRIDGE: I presume this covers materials as well?

Dr. CRAWFORD: This covers materials as well. We provide them with a grant for that.

The CHAIRMAN: If there are no questions on the next four items, we shall deal with publication of medical services journal, Canada—\$11,000.

Mr. HERRIDGE: Is that a departmental publication, or is it a contribution to another publication?

Dr. CRAWFORD: It started out as a departmental publication. In those days it was called the Treatments Services Bulletin, and served as a medium for the publication of scientific articles written by D.V.A. staff. Then it became a very popular journal and other departments of government, such as the Department of National Defence and the Department of National Health and Welfare wished to take part in it. Therefore, it is now known as the Medical Services Journal of Canada and is a medical journal financed, edited and contributed to by the medical officers of these three departments.

Mr. HERRIDGE: A very sensible arrangement, I should think.

Mr. MACRAE: What is the total distribution of that magazine? Could you give us an estimate of the total cost of the publication?

Dr. CRAWFORD: The total issue is 3,400 of which 1,500 is taken up in the Department of Veterans Affairs, 950 in the Department of National Defence and 400 in the Department of National Health and Welfare. The balance is either distributed freely to university libraries or to foreign countries who have asked for it on an exchange basis. It is also sold through the Queen's printer to interested practising doctors throughout the country.

The CHAIRMAN: If there are no questions on office stationery, supplies, equipment and furnishings, we shall move on to materials and supplies—\$8,500,000.

Mr. SMITH (Lincoln): Would this be the place to ask a question about the supply of drugs to outpatients?

Dr. CRAWFORD: This is the item which covers the supply of drugs.

Mr. SMITH (Lincoln): At one time the veterans' doctors used to get their drugs locally, but now drug warehouses have been set up in Hamilton and other centres. I have had complaints that in cases like rheumatism, arthritis and chest troubles, doctors sometimes like to experiment with a new drug which has a very beneficial effect but which they cannot get from those central supply warehouses, and there is no method of giving the doctors requisitions

to get it locally. Is there any possibility of making some variation in the regulations so that special cases could be handled a little differently?

Dr. CRAWFORD: I think, Mr. Smith, you are probably referring to the supply of drugs for the treatment of patients under the doctor of choice plan. You are not referring to treatment of patients in our hospitals?

Mr. SMITH (*Lincoln*): No—out-patients.

Dr. CRAWFORD: The doctor of choice plan does not operate in our hospitals.

Mr. SMITH (*Lincoln*): The people I am speaking of are being treated—

Dr. CRAWFORD: —by their own local doctors.

Mr. SMITH (*Lincoln*): No, by local doctors who are doing the work for D.V.A.

Dr. CRAWFORD: Then it is their own family physicians. This is the doctor of choice plan. It is true that within the last five years we have adopted the principle of supplying drugs, whenever possible, through the doctor of choice plan from the departmental agencies—from our own hospitals. We send them out by mail but, in the case of an emergency or in the case of narcotic drugs, this is not so. We feel the position of the veteran is paramount in this and that he must not suffer but, in the field of refill prescriptions, where the same treatment is going on month after month, I think quite probably we can do this completely satisfactorily and much more cheaply by supplying repeat drugs from our own resources, and this we do.

The point you have raised is about new drugs, and I can tell you that many of us who are involved in this business can chart the course of a drug salesman on the map, by the requests we get for his products as he travels throughout the country.

The drugs which we have on our D.V.A. approved list are reviewed annually. That list contains items which have been tried and tested by the specialists in our hospitals, and which have been found valuable. I think we are not being unreasonable in suggesting to doctors of choice that they use the drugs which we can supply, particularly since we are keeping our supply up to date. Frankly, I do not think the department should be asked to pay very high prices in order to meet the whim of a practising physician, a whim which may be changed again a month from now. We try to regulate the issue of drugs to what we know are drugs which have been proven valuable and, if the drug asked for has proved itself, it will be on our approved list.

Mr. SMITH (*Lincoln*): I quite realize from the standpoint of economy that what is being done now is the proper way to do it, but there is occasionally a time when the doctor of his choice, as you say, wishes to change from one drug to another and that particular drug cannot be obtained at the supply depot in Hamilton. Is there not some possible way whereby it could be obtained locally, in order to try it out?

Dr. CRAWFORD: I would be very much interested to know what drugs could not be supplied from our depots. It is possible that we could not supply a particular brand name but we could certainly supply the active ingredient. That is pretty well known to us. However, many times when we feel that a request for a specific drug is well substantiated and justified then, if we cannot supply it, it is provided locally. That is done but I am sure, Mr. Smith, the complaints you have had would not stand up too well under really close scrutiny as to need and desirability.

Mr. SMITH (*Lincoln*): Rather than take up the time of the committee any more, I shall write you on the matter and enclose a copy of my correspondence.

Mr. HOWE: In connection with drug supplies, each year a certain number will be written off. There will be a certain amount of deterioration in the drugs and some drugs will become obsolete in view of the fact that new drugs are being found? Do you keep a record of yearly depreciation or loss on those supplies?

Dr. CRAWFORD: I am sure records are kept but I should have to refer the question to the director of finance, purchasing and stores, who does our purchasing for us. He can certainly tell you what our expenditures have been and what we did buy. He can also give you a pretty good idea of any carry-overs we have from year to year.

Mr. HOWE: I think there would be a certain number of losses each year, because of deterioration and obsolescence.

Dr. CRAWFORD: That would be minimal because we do not carry great stocks in D.V.A. We get quarterly supplies rather than annual supplies. We are only three months ahead of the game at any time, so it is pretty easy to control that sort of deterioration.

Mr. CARTER: I wonder if Doctor Crawford could give us a brief outline of the procedure that is followed in determining whether or not a drug gets on the approved list. Is it based on the experiments in D.V.A. hospitals?

Dr. CRAWFORD: No, sir. This is one of the great advantages of having the kind of people we have as specialists and consultants. These are men who are making their living in the practice of medicine outside. If they become impressed with the value of a drug, and if the drug, let us say, is referred to the chief of the medical service in a particular hospital, he takes a good look at it and will probably agree it is worth consideration. He then brings it up at the annual meetings of our pharmaceutical committee, which is composed of all the chiefs of medical services in all our hospitals, plus a few others. They consider the matter and if they feel the drug should become part of D.V.A. issue, then it is placed on our list. Mind you though, before this happens and if the chief of a medical service says he wants that particular drug, even though it is not on the approved list he gets it on the recommendation of the senior doctor of medicine in any of our hospitals.

Mr. HOWE: Then it is based on the experience of highly skilled practising physicians?

Dr. CRAWFORD: Yes—a very select group of private practitioners.

Mr. CARTER: You spoke of the difference in brand name, but of having the same active ingredients. May I ask when your list goes out, can every doctor distinguish between one brand name and another?

Dr. CRAWFORD: We use the generic name when listing a drug and doctors have no trouble in recognizing it.

The CHAIRMAN: We shall pass on to repairs and upkeep of buildings and works, including land—\$810,000.

Mr. HERRIDGE: Would Doctor Crawford tell us if the lawns and gardens are maintained entirely by permanently employed persons, and also how the supplies are purchased—the supplies of grass seed and the equipment used to maintain these gardens. Is it done by tender and under whose authority in each hospital?

Mr. MACE: As I understand the question it is, first of all, who does the work.

Mr. HERRIDGE: Yes.

Mr. MACE: I believe that on most of our institutional staffs we have permanent gardeners who carry out the grounds maintenance from time to time. During the summer we may employ additional gardeners on a casual

basis at a time, for example, when there may be a lot of planting to be done. So far as supplies are concerned these would be purchased by our purchasing agent. I would think he would handle this as he does other local supplies. He would phone around the local suppliers and get the best price he could. On occasion when we have a reconstruction job we might include in that project the cost of landscaping or relandscaping of any of the property disturbed by the construction. A big job like that would be included in the construction contract.

Mr. HERRIDGE: Have you ever examined the cost of these supplies for maintaining the gardens as between one hospital and another?

Mr. MACE: Quite frankly, sir, I do not believe so. The actual amount of ground around our institutions varies considerably. At places like Deer Lodge and Colonel Belcher hospitals we have practically no grounds, whereas Shaughnessy and Camp Hill hospitals have substantial grounds.

Mr. HERRIDGE: Would you compare the cost of rose bushes at one hospital to the cost at another hospital?

Mr. LALONDE: In most of our major hospitals we do a lot of planting ourselves. We have a green-house, as you know, at Shaughnessy. We have one at Sunnybrook and one at London. Our gardeners develop most of the plants and they use those to beautify the grounds. I think our purchases are mostly reserved for tools and implements. I was wondering whether you had in mind some of the work done around our domiciliary care places by some of the patients. A lot of them take an interest in beautifying the grounds. We let them do it and, as a matter of fact, we pay some of them small sums of money to do that work.

Mr. HERRIDGE: I was not thinking of that.

The CHAIRMAN: Are there any questions on repairs and upkeep of equipment? Light and power. Water rates, taxes and other public utility services. Hospital insurance premiums.

Mr. CARTER: Is the increase here related to Quebec coming under the hospital insurance fund?

Dr. CRAWFORD: This is the main factor. It is an adjustment payment due to the increase in Quebec, and there is a slight increase in recipients of war veterans allowance.

Mr. BEECH: I am wondering why this item comes under treatment services rather than under war veterans allowance?

Dr. CRAWFORD: This is not under war veterans allowance; this is a treatment matter. The recipients are recipients of war veterans allowance, true enough, but this is a way of paying the hospital cost of a war veterans allowance recipient. We pay a premium instead of paying a hospital bill. If we pay the hospital bill, it seems only right he should pay the premium. It does not make that much difference, but I think its coming under this vote can be justified.

Mr. BEECH: Would you say this new insurance is reducing the cost of treatment.

Dr. CRAWFORD: Our recoveries are very much greater. We anticipate that our recoveries from all sources, mainly from hospital insurance plans, will be about \$16 million this year.

Mr. MACE: In 1957-58 the recoveries for treatment were roughly \$6,700,000 where as we anticipate \$16 million this year.

The CHAIRMAN: Are there any questions on unemployment insurance contributions? Travelling expenses—patients and escorts. Laundry?

Mr. CARTER: How is it that the laundry bill is down this year considerably?

Dr. CRAWFORD: This is an anticipated expenditure. This next fiscal year, and the balance of this present fiscal year, we will be operating our own laundry at Shaughnessy hospital rather than under contract. I think that accounts for the majority of the savings.

The CHAIRMAN: Nursing assistants—trainees' allowances. Sundries. Compensation for loss of earnings.

Mr. HERRIDGE: What does that really mean?

Dr. CRAWFORD: If a man is called in by us for an examination, for whatever purpose—departmental interest or pension commission interest—and as a result of this loses pay from his work we make this up to him. This is compensation for loss of earnings.

Mr. HERRIDGE: It is related entirely to veterans?

Dr. CRAWFORD: Yes.

Item 456 agreed to.

Mr. CARTER: Would this be a good point at which to adjourn?

Agreed.

The CHAIRMAN: On Thursday, we will have the Canadian council of war veterans associations of Canada and the Canadian corps association.

The meeting stands adjourned until Thursday morning at 9:30 a.m.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61



STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

MAY 18, 1961

ESTIMATES (1961-62) OF THE DEPARTMENT OF VETERANS AFFAIRS

WITNESSES:

From the Canadian Corps Association: Messrs. S. Harpham, Dominion President; E. V. Heesaker, Dominion Executive Vice-President; E. J. Parsons, Dominion Pensions Advocate; E. Denison, Secretary, Hong Kong Veterans Association of Canada.

From the Canadian Council of War Veterans' Associations: Messrs. N. Hooper, Chairman, Veterans Affairs Committee; J. Small, Executive Secretary.

From the Department of Veterans Affairs: Messrs. L. Lalonde, Deputy Minister; W. T. Cromb, Chairman, War Veterans Allowance Board; Dr. J. N. Crawford, Director of Treatment Services; L. A. Mutch, Vice-Chairman, Canadian Pension Commission.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.
and Messrs.

Badanai	Howe	Parizeau
Batten	Jones	Peters
Beech	Kennedy	Roberge
Benidickson	LaMarsh, Miss	Rogers
Bröome	Lennard	Smith (<i>Lincoln</i>)
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McFarlane	Thomas
Fane	McIntosh	Webster
Forgie	McWilliam	Weichel
Fortin	O'Leary	Winkler.
Herridge	Ormiston	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, May 18, 1961.

(16)

The Standing Committee on Veterans Affairs met this day at 9.45 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Batten, Beech, Carter, Clancy, Fane, Forgie, Herridge, Jones, Kennedy, Lennard, Matthews, McFarlane, Montgomery, O'Leary, Pugh, Stearns, Webster, Weichel, Winkler—(20).

In attendance: From the Canadian Corps Association: Messrs. Stanley Harpham, Dominion President; E. V. Heesaker, Dominion Executive Vice President; E. J. Parsons, Dominion Pensions Advocate. *From the Department of Veterans Affairs:* Mr. L. Lalonde, Deputy Minister; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board; Dr. J. N. Crawford, Director of Treatment Services.

The Chairman suggested that the Committee hear the brief submitted by the Canadian Corps Association and then the brief submitted by the Canadian Council of War Veterans' Associations. The Chairman therefore called on Mr. S. Harpham to read the brief submitted by his Association.

Mr. Harpham introduced the various members of the delegation from the Canadian Corps Association, whose brief was read to the committee by Messrs. Harpham, Heesaker and Parsons.

The witnesses were examined on the brief.

At 10.55 o'clock a.m., the Committee adjourned until 3.00 o'clock this afternoon.

AFTERNOON SITTING

(17)

The Committee reconvened at 3.05 o'clock p.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Broome, Carter, Clancy, Fane, Forgie, Herridge, Howe, Jones, Kennedy, MacEwan, MacRae, Matthews, McFarlane, McIntosh, Montgomery, O'Leary, Rogers—(17).

In attendance: From the Canadian Corps Association: Messrs. Stanley Harpham, Dominion President; E. V. Heesaker, Dominion Executive Vice-President; E. J. Parsons, Dominion Pensions Advocate; J. Stroud, President of the Hong Kong Unit. *From the Canadian Council of War Veterans' Associations:* Messrs. Norman Hooper, Chairman of the Veterans Affairs Committee; John A. Small, Executive Secretary. *From the Department of Veterans Affairs:* Dr. J. N. Crawford, Director of Treatment Services; Mr. L. A. Mutch, Vice-Chairman of the Canadian Pension Commission.

The Chairman called the meeting to order and recalled the witnesses from the Canadian Corps Association, who were further examined by the Committee.

Because all preceding Committees on Veterans Affairs have adhered strictly to the principle that the cases cited before a Committee should never be identified by name, the Committee agreed to strike out from the record all the names which could have been cited in connection with cases laid before it.

Moved by Mr. Fane, seconded by Mr. Herridge:

That the Committee be supplied with copies of the booklet entitled "War Claims—Report of the Advisory Commission, February 25, 1952".

The motion was agreed to unanimously.

The Chairman thanked the delegation from the Canadian Corps Association, and the witnesses were retired.

The Chairman then introduced the delegation from the Canadian Council of War Veterans' Association, Mr. N. Hooper and Mr. J. Small, and called them as witnesses.

Mr. Small read part of the submission of his Association and the witnesses were examined thereon.

The Chairman thanked the delegation and the witnesses were retired.

At 5.35 o'clock p.m. the Committee adjourned until 9.30 o'clock a.m. on Tuesday, May 23, 1961.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, May 18, 1961.

The CHAIRMAN: Gentlemen, we have a quorum. Please come to order. Today we have two delegations. We are starting off with the Canadian Corps Association, and we shall deal with their brief first. We may have to sit this afternoon to hear the other one, or to finish up the second one. I am now going to call on Mr. Harpham to introduce the delegates who are with him, and then to proceed with his brief.

Mr. STANLEY HARPHAM (*Dominion President, Canadian Corps Association*): Mr. Chairman, and gentlemen, may I take this opportunity to thank you, Mr. Montgomery, and the members of your committee, for assembling today, to review the brief of resolutions, of the Canadian Corps Association, dominion command, adopted unanimously by the Provincial Commands' delegates, at the Dominion annual general meeting of our organization, held in Toronto, on May 5 and 6, 1961. Before commencing with the reading of our resolutions, may I introduce my Associates to you?

First of all, I introduce to you Mr. E. V. Heesaker, dominion executive vice-president of the Canadian Corps Association; Mr. E. J. Parsons, dominion pensions advocate for the Canadian Corps Association. Mr. Parsons is from Noranda; Mr. John Stroud, president, Canadian Corps Association, Hong Kong veterans unit, Toronto; Mr. Walter Grey, treasurer of the Hong Kong veterans unit; Mr. Lionel Hurd, president of the Hong Kong veterans association of Canada; Mr. Everet Denison, secretary of the Hong Kong veterans association of Canada, and finally Mr. Cliff Royen, first vice-president of the Hong Kong veterans association of Canada. Mr. Royen is from Sherbrooke, Quebec.

We now present our resolutions, a copy of which you have before you:

Resolution No. 1

Be it resolved that the standing committee on veterans affairs recommend the amendment of the World War I service requirements for war veterans allowance in order that the first war veterans will qualify on exactly the same basis as the veterans of World War II, abolishing the present requirement of 365 days in the United Kingdom prior to November 12, 1918, for veterans of World War I.

Comments

Those of us, engaged in veterans welfare service, know only too well the hardship which has resulted from this 365 days overseas requirement for World War I veterans. Many cases, requiring hospitalization and treatment and vital income, have resulted in the death of veterans, because of the lack of these services. Many with two to five years of voluntary service, who were available for overseas duty, but not called to such service except for shorter periods towards the end of World War I, have, and will, continue to suffer, unless this service requirement is adjusted. Case histories can be furnished by the Canadian Corps Association, dominion command, to verify these facts.

Those who crossed overseas in World War I, exposed themselves to the same dangers, in the ocean crossing, as those of World War II. Camp facilities in World War I were not nearly as adequate as those of World War II, and

some disabilities can be traced back to those conditions. In any event, there is no just reason for any differentiation between the Veterans who served voluntarily in the two major wars. Further, it is actually easier to qualify allied veterans of World War I, in many cases, than those of our own forces. There are many known cases of real hardship involving Veterans presently just outside the service requirement, who, if they were ALLIED Veterans, would be covered. This is discrimination against our "own"! There are known cases of Veterans with over four years service, but lacking a few days of United Kingdom service prior to the cut off date of November 12, 1918, and these cases when compared to some, who are now under War veterans Allowance, wherein the veteran spent less time in the forces, but in some cases, one or two days on the continent, which qualifies him, and too, those in naval service who did not leave the coastal waters of North America, but whose "so-called high seas" service qualifys him—the Act discriminates against the First War Veteran of CANADA's army. There are many allied veterans, drawing War veterans allowance from World War I, whose countries were our enemies in World War II, and whose service documents are such, that actual combat service, cannot be confirmed, yet because their service, 95 per cent under compulsion, qualifies them for W.V.A. if it was 365 days or more, because it was on the Continent of Europe. Our World War I veterans do not even get credit for the time spent crossing submarine and enemy surface raider-infested-oceans.

The War Veterans Allowance act is unfair, in its present application to Canada's World War one veterans.

Mr. HEESAKER:

Resolution No. 2

Be it resolved that the present war veterans allowance permissible income of male and female recipients and orphans, be increased as follows:

For single recipients from \$1,080.00 per annum to \$1,500.00, for married from \$1,740.00 to \$2,100.00.

Comments

War veterans allowance single ceiling if raised to \$1,500.00 would permit the recipient to receive the old age pension without any reduction to his allowance.

Elevating the married rate to \$2,100.00 would allow the receipt, by either the recipient or his wife, of the old age pension at the present rate.

Further, the present ceilings represent a barrier to the veteran presently drawing lower disability pensions and war veterans allowance, from receiving the benefits of the recent increase in disability pension rates.

Resolution No. 3.

Be it resolved that the basic rate of war veterans allowance be increased to an amount proportionate to the recent increase in the disability pension.

Resolution No. 4

Resolved that, imperial and allied veterans of world war II shall, upon residence in Canada for ten consecutive years, qualify for war veterans allowance on the same service basis as veterans of world war I.

Comments

Veterans of Her Majesty's forces other than those of Canada, and of those forces allied to Her Majesty's forces in world war I, qualify for war veterans allowance upon having attained ten consecutive years residence in Canada,

providing other qualifying service requirements are met. This does not cover veterans of world war II of similar forces. This can, and does create hardship among older veterans of world war II, who, after immigrating to Canada, meet with misfortune or ill health.

War conditions in the United Kingdom and our allied countries in 1939-40 caused men who were in their late 30's and early 40's at that time to serve in the armed forces... These men are now, many by age alone, in a category that, if the act admitted them on the same basis as those of world war I, would qualify in every other way for war veterans allowance. There are many known cases of hardship among the older imperial veterans of world war II, now resident in Canada. The dominion pensions advocate of the Canadian Corps Association, recently buried an imperial veteran of world war II, under the last post fund, and found it necessary to invoke public charity for his widow. His service was 5 years, world war II, and residence in Canada since 1950... but not qualified under the present requirements of the W.V.A. Act as they were not domiciled in Canada prior to the outbreak of World War II. Service requirements for both wars should be equalized.

Resolution No. 5

Be it resolved that the War Veterans Allowance Act be amended to grant eligibility to ex-service women, who served in world war II for not less than 365 days, of single status or widowed, without domestic support, or self-maintenance who, although with every willingness volunteered for theatre of war service, were not called to such service, and now have reached the age of 55 years.

Comments

A very small percentage of women who served in the armed forces of Canada during world war II were assigned to overseas service, although all offered unlimited service. There was a marked difference between the service man in world war II proceeding overseas who had no choice providing he was physically fit, and the system which governed overseas service for women... a quota was established for service-women, and approximately only 10% were so assigned. War veterans allowance district authorities could examine each applicant's circumstances in respect of the need according to the regulations.

Mr. PARSONS:

Resolution No. 6

Be it resolved that the practice by the Department of Veterans Affairs of reducing the allowance of married war veterans allowance recipients, while in Department of Veterans Affairs hospitals be discontinued.

I believe I read something in *Hansard* about that recently. I think it is under discussion. However, the basis of this resolution is as follows:

Comments

The reduction in living expenses while a veteran is hospitalized is not as high as Department of Veterans Affairs officials believe, as the wife encounters extra travelling expenses in hospital-visiting the veteran, and also tries to provide some thoughtful comforts for her husband out of her already too meager allowance. Also, the high expenses of the married couple such as rent, insurance, public utilities, etc., are not in any way reduced by the absence of the hospitalized husband. The only item showing a reduction is food and

because of the limit of the allowance, only the barest necessities are purchased in this connection as the allowance recipient has insufficient money for food once rental, etc. are paid during any month.

Resolution No. 7

Be it resolved that the amount applied, according to the regulations of the war veterans allowance assistance fund, should be reviewed and based on a determined sliding scale, where the circumstances warrant, from the sum of \$240.00 per annum single, to \$360.00 per annum, and from \$360.00 per annum married to \$480.00 per annum.

Resolution No. 8

Section 30 11 (b) of the War Veterans Allowance Act defines the "common-law" status in connection with the veteran-recipient of the allowance, but not the veteran who deserts his legal spouse. The Canadian Pension Commission Act does, in section 34 (1) 36 (5) (6) (7) give a measure of protection for the pensioner's legal spouse. Moreover, section 17 of the War Veterans Allowance Act governs any assignment of an allowance, except as provided in the Act, thus, any allowance granted the deserted spouse by a family court order could become questionable by the war veterans allowance board.

Resolution No. 9

In the province of Quebec, the provincial hospitalization scheme covers all residents for care, and necessary hospital facilities, up to the ward rate. This plan takes in both public and D.V.A. hospitals. However, when a veteran who is under the War Veterans Allowance Act, is hospitalized in other than a D.V.A. hospital, and accommodated in higher rated accommodation than ward rate, it is apparent that the additional costs are not presently covered by war veterans allowance treatment regulations.

I might point out that a case recently came to light under the War Veterans Allowance Act where a man was hospitalized in my own town of Noranda. It was not possible to put him in a ward, and he was put in a semi-private at \$4 per day which the war veterans allowance board apparently cannot pay under the present set up.

Therefore, be it resolved that when it is necessary to hospitalize a war veterans allowance recipient, in the province of Quebec, or in any province where a similarly operated government scheme is in existence, that the treatment regulations governing war veterans allowance recipients, be so amended to cover any and all hospitalization costs, to the same extent as would be covered should the veteran be cared for in a departmental hospital.

Resolution No. 10

Inasmuch as D.V.A. districts are largely divided on a provincial boundary basis, and this in many cases presents problems for veterans holding entitlement for treatment being compelled to report to their respective district medical centres. These district medical centres are, often, a considerable distance farther away from their point of residence than the nearest D.V.A. treatment centre.

Veterans living in the extreme part of eastern Ontario, such as Cornwall, Long Sault, cannot report to Montreal, which centre is within a very short and convenient travelling distance from their homes, but must report to Ottawa. Veterans in the extreme western and northwestern part of Quebec, such as Temiskaming, Ville Marie etcetera—

—and my own place, Noranda, which must report to Montreal instead of to the nearest centre at North Bay. We think that an amendment is required to the Treatment Act.

Therefore, be it resolved that veterans holding entitlement to treatment under the Canadian Pension Act or those under the War Veterans Allowance Act, shall henceforth, be permitted to declare their most conveniently located reporting medical centre, and that their treatment requirements be so administered from the said nearest D.V.A. medical centre, as a convenience to the said veteran. Hospitalization in D.V.A. operated hospitals, shall be arranged on the same basis.

Resolution No. 11

AMENDMENT REQUIRED TO THE TREATMENT ACT

The portion of the treatment Act, which we request the government to amend is sub para (i) of subsection (1) of section 13—which, as amended by order in council 1959-948, July 22nd, 1959, presently reads:

(i) In world war I, or in world war II, in any of His Majesty's forces other than those of Canada, or in any of the forces of His Majesty's allies, or of the powers associated with His Majesty, and who was resident of Canada or Newfoundland on August 4th, 1914 (world war I) or on September 1st, 1939, (world war II), or was domiciled in Canada or Newfoundland at the time he joined such forces for the purpose of such war, or was not resident or domiciled but was resident in Canada or Newfoundland for a total period of at least ten years, and who, in any case, is receiving pension for a disability related to such service, or had overseas service and was honourably discharged.

This covers imperials and allies . . .

Be it resolved by the Canadian Corps Association, dominion command, that this section be further amended to read:

In any of Her Majesty's Forces, INCLUDING those of Canada, and the words *OR HAD OVERSEAS SERVICE* be deleted, and to read—and who served a minimum of 365 days in active service, inside or outside of the boundaries of Canada, or Newfoundland, and was honourably discharged.

In other words, we want to alter the Treatment Act so that any veteran can get treatment if he had one year's service or more.

Resolution No. 12

RE DISABILITY PENSIONS

Be it resolved that the disability pension being paid at the time of death of a pensioner regardless of the amount of such pension, be continued to the widow or dependent, until death or remarriage, and the children while they are attending school, in cases where they are not otherwise provided for under the Pension Act.

In other words, where it is impossible to place the widow under the War Veterans Allowance Act or provide for her in any other way, we would like to see the disability pension, regardless of that amount, be continued.

Mr. HARPHAM: I would like to call upon Mr. Heesaker to deal with the next point.

Mr. HEESAHER:

Resolution No. 13

RE Treatment For Ex-Permanent Forces Personnel

Be it resolved that the Department of National Defence, direct or arrange with the Department of Veterans Affairs, to grant treatment longer than a period of one year for ex-permanent forces' personnel, and until the disability has been completely treated.

Comments

This resolution results from an enquiry to the Minister of National Defence in Feb., 1958, requesting that post-discharge treatment where required by terminated members of the ex-permanent forces of Canada, should be extended for more than one year after discharge—one year now being the limit of time set by national defence regulations.

If any disability occurs during the service and a pensionable award is granted by the Canadian pension commission, then the treatment is granted indefinitely. The Canadian Corps Association recommended, that where treatment is indicated, without pensionable award, by the Department of Veterans Affairs, and so conveyed to the Department of National Defence, the Department of National Defence should be in full agreement.

Mr. HARPAM:

Resolution No. 14

Benefit Of The Doubt

Be it resolved that referring to section 70 of the Canadian Pension Act, that the Canadian Corps Association, make strong representation to the Canadian pension commission through the standing committee on Veterans Affairs, re the benefit of the doubt clause, to the end that the benefits intended by this very important section be applied in every case coming before the pension commission.

This, gentlemen, in regard to World War I veterans, has always been a rather touchy point, the benefit of the doubt. I have asked permission of your chairman to give you one case which we think is very striking. I am not appealing so much on the benefit of the doubt for this man as I am appealing on the question of meritorious service. I refer to a typical case of a man, who was born in London, England, and he was educated at the Collegiate school, London. He is a graduate of the medical psychological association, England. He served with the R.G.A., Imperial Army. He served in the South African War, 1899-1902 and was on special duty with the Red Cross. He has a Queen's medal with five bars, a King's medal with two bars, and a special service medal. He came to Canada in 1902. He organized and commanded the St. John Ambulance brigade in Canada. He took his contingent to England in 1912 for review by His Majesty the King. He was awarded the Order of St. John in 1913 by His Majesty the King. He was secretary of the Canadian Infantry association, and held various other appointments. He commanded a company in the 36th regiment. He won the Gowan trophy in 1914 for active service competition with a company composed of men all of whom had seen active service. In 1914 the whole company volunteered for service and went to France. He was a company commander with the original 4th Battalion with the 1st Division. He was wounded at Ypres and rendered permanently unfit by internal injuries. He was instructor and lecturer successively at Canadian military school, Canadian training school, and Canadian pioneer school. He assumed command of O.T.C. wing C.S.M.E., in April 1918. He is the author of books on military law and on military organization and

administration. He has been responsible to date for the training of over 4,000 cadets and 5,000 officers.

As a rule of thumb it has been cited that meritorious service *per se* entails the award of some honour or the award for military service. Surely the Queen's medal awarded for service in the South African war, together with the facts that he organized and commanded the St. John Ambulance brigade in Canada, then took the contingent to England in 1912 and was awarded the Order of St. John in 1913 by His Majesty King George V, is enough service to make this case specially meritorious. In addition he was secretary of the Canadian Infantry association, and in 1914 he rallied his company for active service.

It is, therefore, apparent that the late gentleman was an honourable, dedicated and distinguished soldier who rendered conspicuous service to Canada with the St. John Ambulance Brigade and with the Canadian expeditionary force.

He was wounded in action at Ypres and thereafter was an instructor and lecturer as well as a military author. Surely it cannot be disputed that in the sphere of activity where he carried the responsibility for training over 4,000 cadets and 5,000 officers, the Canadian government would feel that his widow's claims are really specially meritorious, and it is requested that the commission exercise its benevolence by the award of a compassionate pension.

It is impossible to separate this soldier's service in the South African war, the St. John ambulance brigade and the C.E.F. in World War I. All of that service was separate and, in its aggregate, specially meritorious. It was freely given, it exceeded the compresses of duty, it was recognized by the military authorities and by the sovereign and above all, these many activities must be considered as comprising a massive totality of service to Canada and to Canada's allies which easily qualifies as specially meritorious when interpreted within the context of the Pension Act's social and equitable purports.

Gentlemen, it is impossible to separate this soldier's service from the three branches in which he served. I do not know whether you gentlemen have read a book by W. Perkins Bull called "From General Brock to General Currie". In that book he speaks most highly of the service this soldier rendered. Gentlemen, we feel that there are such men who gave distinguished service to Canada, and we are appealing again for such cases to be reconsidered. Thank you, Mr. Chairman.

I am now going to call on Mr. John Stroud of the Hong Kong veterans unit to state his case. May I say that the Canadian corps association are very proud to be associated with these Hong Kong veterans. We still think they have some claim, and we are here today to endorse their application.

MR. JOHN STROUD (*President, Canadian Corps Association, Hong Kong Veterans Unit*): First of all, Mr. Chairman, members of the committee and Miss LaMarsh, I might say that we who are here today representing all the Hong Kong veterans in Canada are not all men of the service but we have with us one woman who was a nurse in Hong Kong, so we are 99 per cent men from Hong Kong and one woman whom we represent.

Resolution No. 15

A delegation from the Hong Kong veterans association, who are members of the Canadian Corps association, appeared before the Minister of Veterans in Ottawa on December 4, 1959, concerning the present status of the war claims fund and inquired into the present standing of their war claim in regard to forced slave labour at \$1.50 per day. They were advised by the minister that the war claims commission dissolved on October 31, 1959, and that the final report of the war claims commissioner was in the hands of the Minister of Finance.

The Minister of Finance was contacted by letter by the association, and the reply received advised that the final report of the war claims commissioner would be tabled in the house.

Be it resolved by the Canadian Corps association, dominion command, that the report of the war claims commissioner be made public and that the Hong Kong veterans association be given a copy of the report.

Resolution No. 16

Whereas, since 1947, the Canadian Corps association Hong Kong veterans' organization has made representation to the various government departments for compensation for forced slave labour by former prisoners-of-war held in Japanese prison camps, and whereas the United States forces held in comparable prisoner-of-war camps of the Japanese were granted compensation of \$1.50 per day for forced slave labour, therefore be it resolved by the Canadian Corps association, dominion command, that the government of Canada grant the Hong Kong veterans compensation in the amount of \$1.50 per day for forced slave labour for every day spent in internment camp, the same as granted to the United States forces by the United States government.

Mr. HARPHAM:

Resolution No. 17

Be it resolved that the Minister of Veterans Affairs continue the present standing committee on veterans affairs, at each session of parliament, and that the Canadian Corps association, dominion command, shall automatically receive written communication, that if they desire, an opportunity to present their current brief of resolutions, either in writing, or by personal appearance before said committee, that same will be in order, and further be it resolved that the standing committee on veterans affairs grant sufficient preparatory time for the purpose of such presentations, namely, not less than fifteen days.

This concludes our resolutions, Mr. Chairman, and we are ready to answer any question that may be asked.

The CHAIRMAN: Thank you very much, Mr. Harpham and associates. The resolutions are very much to the point and I will now—unless there is any further statement—throw the meeting open to the members. Before I do that, Mr. Harpham, you told me when you came in that you would like to say a word to one of the members of this committee. She is here now,—Miss LaMarsh.

Mr. HARPHAM: Miss LaMarsh, as one who has been coming here since 1944 I may say it is a great pleasure now to welcome a lady to this committee on veterans affairs. We wish you well. You know, it is becoming more and more a woman's world and it is quite a change to see a lady on the veterans committee. We are happy to see you here, because some of the C.W.A.C. members belong to our association. Thank you.

The CHAIRMAN: We will take up resolution No. 1.

Mr. CARTER: Mr. President, could you give us one or two examples of these veterans who joined the allies in World War I and were our enemies in World War II?

Mr. PARSONS: Yes, I recently qualified an Italian veteran from World War I for the veterans allowance. He has lived in Canada for about 30 years; he was an ally in World War I. His service was just over a year in the Italian army. He has the required residence in Canada. He has received his war veterans allowance and he is presently drawing it. I recently qualified a Serbian. Their discharge papers are written in the language of their country, and unless my friend, Mr. Lalonde, will say otherwise, I do not

believe it is really possible to take service such as was given a Serbian in World War I or an Italian in World War I and pin it down. He had combat service. He had proper discharge papers for the 365 days service or more, and he has residence in Canada. He qualified fully, so he received the war veterans allowance. We have numerous cases of that, sir.

May I also mention an offset to that, as far as our Canadian veteran is concerned. About a year ago I buried under the last post fund a World War I Canadian veteran who lived in the little town of McWatters close by Noranda. He was an old prospector. He had four years' and two months' service in World War I but he did not arrive in the United Kingdom until November 26, 1917. He was short about thirteen days for qualifying under these 365 days United Kingdom clause. He was a garrison artillery man, heavy artillery, and he told me—I could not confirm it—that he was assigned to troops on the Dover coast, was lobbing 15-inch sheels across the channel and getting the same thing back, but according to the book he was not in the war. Even if he had been given credit for the time he spent travelling on the ocean, he would have qualified, but when you compare that to an allied veteran who will present you with discharge papers—which you hope are correct, showing 365 days service or more, and undoubtedly under compulsion—with our volunteer serviceman of World War I with considerably more service, the act is unfair.

Mr. CARTER: The essential difference is that one was on the continent and the other was not?

Mr. PARSONS: If they had just gone over to France for a couple of days and come back, they would be in.

Mr. CARTER: You do not have to sell me on that; I am fully sold on that, as I am a veteran.

Mr. PARSONS: Another thing you run into with the World War II veterans is that if one has gone there and back, he is in.

Mr. HERRIDGE: You must quite frequently run into cases where the veteran fails to qualify by just a few days. I have one who failed by one day with very similar service to the one you have been quoting.

Mr. PARSONS: One of the most glaring examples, I think, was thirteen days, but there are many.

Mr. FORGIE: I know of one who was short two days.

Mr. HERRIDGE: Could the deputy minister give the committee any information as to how they assess discharge certificates of the type the witness has been describing? Does the deputy minister understand Serbian?

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): Mr. Herridge, I think that perhaps the chairman of the war veterans allowance board would be the best man to answer that question.

Mr. W. T. CROMB (*Chairman of War Veterans Allowance Board*): Mr. Chairman, in connection with the allied veterans who served in World War I when their countries were allied with His Majesty's forces, discharge certificates which they produced come of course from the country which they served at that time, and it is true that we have discharge certificates from Russia, and from other countries that were allies in World War I. The veterans allowance board has these discharge certificates translated and we deal with appropriate embassies to do everything we can on the best evidence available to prove that the man was in the actual theatre of war, during World War I.

Mr. HERRIDGE: Have you ever met a case like this? I have a constituent who served in the German army for two years, was captured by the Russians and then volunteered to serve in the Russian army for two years. Would he qualify for War veterans allowance?

Mr. CROMB: If he was against us, he would not qualify. This only applies to allied veterans.

Mr. HERRIDGE: He also fought for us.

Mr. CROMB: We have those angles coming up from time to time, but we sort them out as well as we can and we can pretty well pin it down to the service he had as an allied veteran. If he was fighting against us, he is considered an enemy.

The CHAIRMAN: Are there any more questions on resolution 1?

Mr. WEICHEL: He probably had a special purpose for serving with the Russians after he had served the Germans.

Mr. MATTHEWS: I was a little curious about the veterans who served in our Canadian air force in World War II and did not go overseas. What is their standing? Do they get the same privileges as men who have served overseas? Royal Canadian Air Force men who served in Canada and never did go overseas, would they get the same treatment as the men who flew overseas?

Mr. CROMB: All veterans, regardless of Branch of the Service, have exactly the same requirements on eligibility of service. If he was not in the theatre of actual war he would not be eligible unless he was in receipt of a pension.

Mr. MATTHEWS: I was wondering why this should not be changed in this resolution. I was in the Royal Flying Corps in World War I. I did not go overseas, and I know a lot of the boys who did not go overseas, yet at the same time they served in the forces. It was quite dangerous in those days—it may not have been as dangerous as today. It is not that I would ever need consideration myself, I hope, but there may be some who would need that consideration. I know that we considered it dangerous; we had accidents over there of various types. We had a case of one fellow cutting his throat—he went a little mental. Another fellow hung himself with his puttee, or tried to. It was a pair of Fox puttees that were made pretty well. One of the other fellows cut him down and saved his life. It is true that the fellow got ten days C.B. for not minding his own business. The commanding officer made it a rule that you could not have Fox puttees after that. In the case of myself, I had an accident. I smashed up in Canada and I broke my nose. Actually, for years after that after pay day I used to get headaches practically every month, and finally now I am getting so that every day about 11 a.m. and 2.30 p.m. o'clock I hear bells ringing. I think I should go over to Dr. Crawford and find out, but I cannot because I did not go overseas.

I am not fooling; I am quite interested, and some time I would like to see some consideration given to men of that type, especially from World War I. I know of some who served overseas that are about 68 years old now and there is no consideration given to them at all. I am sure that the gentleman who presented this resolution will not think I am making fun of it. I just had a little fun there, but I am very sincere and I certainly support anything that is suggested for the good of the veterans. While I did not serve overseas, if a lot of the men did not serve overseas, I would not be where I am today. All the people who are privileged today can certainly afford to pay for World War I veterans who are maybe having it a little rough. I certainly add my support to this resolution right now.

Mr. CROMB: Mr. Chairman, I would like to clarify the point regarding the examination of discharge certificates of allied veterans whose countries were enemies in World War II but who were allies in World War I. We do not just take discharge certificates on their face value. They are fully investigated to the best of our ability to see that the man actually served in a theatre of actual war. There are areas in Europe that we know were not theatres of actual war and we verify that to the best of our ability with the appropriate embassies of the countries concerned and with all the records we are able to get.

In answer to Mr. Herridge's question, just to pin this down in section 9 of the War Veterans Allowance Act, it is stated that no allowance shall be paid to any person who served in enemy forces in World War II.

Mr. CARTER: Colonel Cromb, do you request photostat copies of documents of those people who served in the Serbian army, not only the certificate but the documents as well?

Mr. CROMB: Through the embassy of their own country.

Mr. HERRIDGE: What about veterans from the Lawrence Arab legion?

Mr. CROMB: I presume those veterans would be imperials and those records would be in the British war office.

Mr. WEICHEL: Could I ask Mr. Comb about those words "to qualify exactly as veterans of World War II"? Has that got to do with abolishing beyond 365 days, is that the difference?

Mr. PARSONS: The idea is that veterans of both wars will qualify for war veterans allowance on exactly the same basis.

Mr. WEICHEL: It means that he does not qualify on this one?

Mr. PARSONS: If he just went over and back again, he is in.

Mr. CROMB: That is, in a theatre of actual war. If he crossed to France, and he might have been hit the first day, he would qualify. Being in a theatre of actual war is sufficient.

Mr. CARTER: Do you think there is any inconsistency in saying that a fellow should serve in the navy—and I know of many who were posted on coastal ships with a little protective gun on the stern. These fellows did not go across the ocean; they were around coastal waters and yet they are considered to have been in the theatre of actual war. The veteran who goes out and travels through that same water is not considered to be in the theatre of actual war? I am speaking of World War I.

Mr. LALONDE: Mr. Carter, the definition of "theatre of actual war" is in the act and Mr. Cromb and members of the board have to interpret it that way. So, until the act is amended, you have to take the definition of "theatre of actual war" the way it is written.

Mr. CARTER: But is there an inconsistency in the act?

Mr. LALONDE: That is up to you to decide.

Mr. CARTER: I have already decided for myself; I want to get other people to decide.

The CHAIRMAN: I do not think the committee is a place to express opinions on this point. What about resolution No. 2? Are there any questions?

Mr. FANE: I think that is something that deserves great consideration.

The CHAIRMAN: But have you any questions on this?

Mr. FANE: I have no questions.

Mr. McFARLANE: They mention permissible income; does that mean earned income or is the man supposed to have a little property? I have a

case on file where a man's son actually purchased his property and gave his father \$300 a year, which at the present time he is not being allowed. Is this permissible income from property or investments?

The CHAIRMAN: It means raising the ceilings. If he came within the ceiling he would get it.

Mr. CROMB: That is correct, that would be income. Income limits are contained in schedules (a) and (b) of the act, this of course, has nothing to do with casual earnings which are exempted, to the limits of \$600 for single recipients and \$900 for married recipients in any one veterans allowance year.

Mr. FORGIE: What about a veteran who makes an application who owns a \$10,000 house?

Mr. CROMB: He is permitted to have a house valued at \$8,000. If it is more than \$8,000 he is assessed 5 per cent of that which exceeds the \$8,000.

Mr. HERRIDGE: I understand Mr. Lennard indicated the committee is passing all resolutions.

The CHAIRMAN: I do not think this is a place to make such statements.

Mr. HERRIDGE: Would the chairman inform the committee as to the basis of evaluation of these properties? Do you take real estate valuation or the assessed value?

Mr. CROMB: The assessed value or equity, whichever is the greater.

The CHAIRMAN: Are there any further questions?

Resolution No. 3?

Mr. PARSONS: That is already before the house.

The CHAIRMAN: We pass on to resolution No. 4.

Mr. LALONDE: That is already in the act.

Mr. CROMB: The ten years do not have to be consecutive.

Mr. PARSONS: We thank you very much, gentlemen.

The CHAIRMAN: Resolution No. 5?

Miss LAMARSH: Mr. Chairman, may I inquire from the deputy minister or the chairman of the board how many ex-servicewomen are presently in receipt of war veterans allowance?

Mr. CROMB: You mean ex-servicewomen?

The CHAIRMAN: In case the witnesses have not the information, they could have it ready for you when we come to estimates.

Mr. CROMB: I have not the information with me but I could get it for you.

The CHAIRMAN: When the item comes under the estimates.

Mr. HERRIDGE: Mr. Chairman, have you any cases where the husband and wife are both entitled to war veterans allowance because of service, and if so, how do you adjust a case like that?

Mr. CROMB: We have several cases where the veterans, both husband and wife, are qualified in their own right. We treat them both as veterans in their own right.

Mr. WEICHEL: Would they be given married status then?

Mr. CROMB: They are both veterans in their own right and they both receive their single ceilings together.

The CHAIRMAN: Gentlemen, I might say that these types of questions might not receive prepared answers today, but when we meet here on estimates the witnesses will have the answers ready. I do not want to close discussion on this, but it really should come under estimates.

Mr. HERRIDGE: In some cases they are related to the resolution.

Miss LAMARSH: This resolution, as I understand, was passed for ex-service-women and arises from this quota system which was, I think, unique to women in service and applied to all three women's services. Is that correct?

Mr. PARSONS: It applies to all women's services, that is the C.W.A.C., the W.D. and the Wrens.

Miss LAMARSH: And all women's services were volunteers services for active service anywhere in Canada. The quota was kept very low for those who might serve overseas. Mr. Chairman, I recall, at the time I was nineteen, I believe, and I applied for overseas service. They would only take general duty, that is girls who were prepared to clean up for the rest of you gentlemen, and they limited them to certain categories most of which could never be in the theatre of war. Those who went even to the United Kingdom and the continent were in very small numbers and were limited by the quota.

The CHAIRMAN: Resolution No. 6? I think that has to do with veterans while they are in hospital. I believe the answers to that will be ready when we are on the estimates. We can then get all the information and the reasons it.

Mr. HERRIDGE: Have the witnesses any illustrations of cases that cause them to introduce this resolution tentatively?

Mr. HARPAM: There are always men going into hospital under veterans allowances, for treatment. It often happens that the wives of these men are living some considerable distance away; they must go to see the husband in hospital and this entails expense in travelling and possibly means staying somewhere, or staying with friends. To cut this down is rather severe on the war veterans allowance now. If there is an increase made in the war veterans allowance, it may rather compensate for this, but in doing that please do not increase this deduction that you have there.

Mr. HERRIDGE: You run into quite a lot of cases?

Mr. HARPAM: You run into a case such as that of a man at Sunnybrook, which serves all Ontario, and the travelling amount is quite inadequate and this is a distinct hardship. I have for 12 years served in the Ontario canteen, in World War I, and we are the only province now with any money. We are giving it away and have distributed it in various ways. We gave \$54,000 in the last year, and it went mostly to people of the war veterans allowance class, widows needing teeth, glasses, medical things; and hospital bills were all paid. It went on things of that nature, and on doctors' bills. Sometimes we have to repair homes and sometimes we pay taxes. Sometimes in rural cases we even go out and have a well built for people. These people are living in the country and have to go to the well to pump a little water. We do not want to see these people, where they are wives of men who are war veterans, have this money stopped from them when their husbands are in hospital. That is what we are asking for.

Mr. CARTER: Could we go to someone who would tell us what reduction is made, or what the basis of it is?

The CHAIRMAN: I am afraid we are not going to get all this done.

Mr. FORGIE: This group will not be here during discussion of the estimates and there will not be an opportunity to examine these witnesses.

The CHAIRMAN: They have brought this to our attention, and I think the officials of the department can give us the answer. That is what I have in mind. Would that be satisfactory to Mr. Carter?

Mr. CARTER: It is all right for me. I thought it would be for the benefit of the witnesses.

Mr. HARPAM: We have many cases we can give you.

Mr. FORGIE: These presentations are made on findings of fact made by these people and I think when they bring up these different resolutions they

should cite a case so that it would be in the minds of all the members just exactly what they mean, and explain these things. I do not know if the estimates is the place to do that.

MR. PARSONS: There are statutory deductions made from the war veterans allowance payable when the veteran is in hospital.

MR. CROME: The act calls for a deduction in the case of a married recipient who is in hospital. A deduction of \$10 a month is made while in hospital, but should it be shown that this is a little heavy, the district authority may reduce that deduction to as low as \$1.00. In the case of the single recipient, his allowance is suspended. Although he does not receive it until he comes out of hospital, he is permitted to build up three months of his allowance. If it straddles two consecutive years, he will be permitted to build up three months in each year. While the recipient is in hospital the district authority, through the welfare services branch, makes sure that his room rental and that sort of thing is taken care of. The act does call for a deduction in the case of the married recipient, but it can be as low as \$1.00.

I may add that—perhaps Dr. Crawford would like to say something on this—they do get comforts, too.

DR. CRAWFORD: The comfort allowance continues.

THE CHAIRMAN: In regard to the assistance fund, they are bringing to our attention that they would like to see this raised from \$240 to \$360 per year and, if married, up to \$480.00. Are there any questions?

MR. HERRIDGE: That proposal is based on cases of need that have come to your association's attention?

MR. HARPAM: Yes.

MR. PARSONS: I might point out that the real use of this assistance fund is in the case of a recipient, single or married, who has no other steady income, like a small pension or old age security; he has no other income but his basic war veterans allowance. At the present time it is \$120, which is not enough, so you have to build them up with the assistance fund; so that that basic allowance which is now \$70 we can build up to \$85 or \$90 out of the assistance fund. We find it necessary. We would like to see the assistance fund slightly higher in each case, just high enough to take care of increased rents and the higher cost of living today.

THE CHAIRMAN: Is there anything on resolution 8?

MR. JONES: I wonder if we could be told what the resolution is? There seems to be a preamble, but no resolution.

THE CHAIRMAN: In resolution 8 they are asking about section 30, which defines common law status. Does that mean common law marriage?

MR. HARPAM: Yes.

THE CHAIRMAN: In effect, you would like to have this court order made payable to the spouse?

MR. HARPAM: That is right.

MR. PARSONS: I did not really have anything to do with that resolution. That was an attempt to insure that the war veterans board would honour any family court order, if one were granted.

MR. CROME: The recipient's wife must be residing with him and supported by him. If they were separated he would be on single rates, provided the means test is all right. The allowance is not subject to court orders, because we only pay the veteran and only give the married recipient those rates if his spouse is residing with him and being maintained by him.

Miss LAMARSH: Does that mean that if he voluntarily separates from his wife he gets out of that responsibility of supporting her, notwithstanding the fact that the court order is against him?

Mr. CROMB: The allowance is paid to the veteran in that case and he gets the single rate. If it is for a married person, he gets the married rate only if he is maintaining his wife and she is residing with him. Otherwise, he is treated as a single veteran.

Miss LAMARSH: Why? He is still married?

Mr. CROMB: That is what the act calls for. She must be residing with him and being maintained by the veteran.

Miss LAMARSH: Is it because of the definition that says she must be residing with him, contained in the act?

Mr. CROMB: Yes.

Mr. HERRIDGE: I should agree with the definition. I have one case where a wife had to live on the next street. It would be impossible to live with him. She is denied it, as he is a single recipient. But there are circumstances where it may be impossible for a wife to continue to live with the husband.

Mr. CROMB: There are situations where a wife may be in a mental hospital, or there may be factors of that sort, where discretionary power can be used, but it must be a medical matter.

Mr. HERRIDGE: This is a question of another type of human failing.

Thé CHAIRMAN: We pass to resolution 9, additional payments. Would Dr. Crawford be able to answer that? In effect, the resolution says that where it is necessary to hospitalize a war veteran and the province pays a certain amount and there is an over-charge—who pays that?

Dr. CRAWFORD: The provincial plans all lay down that hospital bills will be paid at ward rates. Where ward accommodation is not available, semi-private or private accommodation, if available, will be supplied by the hospital at the expense of the plan.

Our policy in D.V.A. hospitals has been that we supply nothing but ward accommodation. It is true that we do have semi-private and private rooms in hospitals, but we maintain that these are used only for medical reasons, that is, in the case of a man who for medical reasons should not be associated with others. Therefore we pay outside hospitals at ward rates, and ward rates are paid by the plans, the same amount of money which we would pay. If a man chooses to go into semi-private or private accommodation, we feel that he should pay the difference, but according to provincial law governing provincial hospital plans, the hospital will be paid by the plan at ward rates, and is required by law to supply semi-private or private accommodation if necessary for medical reasons, or if ward accommodation is not available.

Mr. CARTER: Is this type of situation confined only to Quebec?

Dr. CRAWFORD: No, this is general across Canada. All provincial plans have the same basic design.

Mr. CARTER: Could this extra expense be taken care of out of this special assistance fund?

Mr. PARSONS: May I say that this came to light just recently through the hospitalization of a war veterans allowance recipient in Noranda. This man had just had a coronary. He was in rather bad shape. We took him to the hospital. He was placed automatically, it seems, in a semi-private room. I was one of those who went to the hospital with him. We gave his pension number and war veterans allowance number and without question they put him in a semi-private room. That was about three months ago. He was in there about a month. After he had been out for about two weeks I got a call from the

hospital. They had submitted an account for the \$4 under the War Veterans Allowance Act but it had been turned down and refused. I went to see the Sister Superior. I said: "If you supplied that accommodation on your own, then it is up to you under the act." She said: "Oh, no, the man asked to go in there." Well, the man did not ask, because he could not speak, and I do not know of anybody who did ask for him to go into that particular room. They just took him in and he was admitted. That is a case which supports this.

Since then there have been two other cases of admittance to hospitals put through in my own particular neighbourhood where there has been that overhang of \$4 a day on war veterans allowance cases and payment of the difference by the department has been refused.

I do not know what adjustments you can make to cover that, but it seems that before the Quebec hospital act went into force a war veterans allowance recipient was taken to hospital and he was completely covered. There was no question. They gave him what accommodation they deemed fit and he was covered. The bill was always paid under the War Veterans Allowance Act, but since the Quebec act has come into force we run into this little bit of extra payment.

Mr. HERRIDGE: I had a case which illustrates the same difficulty. In fact, I have veteran constituents to illustrate every complaint under the sun. This veteran was taken into Kootenay Lake general hospital for a leg injury and was put in a semi-private ward and protested that he did not require it. He said he wanted to go into a public ward, that he knew the regulations. However, he was put in a semi-private ward. After discharge he was sent a bill for \$720. He wrote to me; he was very worried, and I told him to ignore it. I do that with everyone in similar circumstances. Then he returned to hospital, and when I saw him at Easter—he asked me to go see him and I did—and again, against his protest that he should go into a public ward, he was put into a semi-private ward, of course, he has received another bill. It is a situation that has arisen since these hospital plans have come into effect. The hospital knows that the department will only pay under certain circumstances and you have to look at it from the department's point of view. They are ready to pay under circumstances where they can be billed for these things, but in this case this man knew the regulations, he protested vigorously. I went to see him at the Easter recess and he told me he had protested again and there he was in a semi-private ward, being billed in addition for it. I told him he should ignore it.

Mr. PUGH: The hospital cannot claim legally?

Miss LAMARSH: In Mr. Parsons' case—the man with the coronary—for medical reasons that man should have been in semi-private or private accommodation, but in the case of the man with the leg injury it was not necessary. May I ask Dr. Crawford, in circumstances like that of a coronary, where there is need for a private ward, does the department still pay for ordinary accommodation?

Dr. CRAWFORD: That is right. As a matter of fact, we do not pay the hospital at all if the man is covered under a provincial hospital plan. The plan will pay at the ward rate and the hospital is required by provincial law to supply at ward rates semi-private accommodation if the doctor demands it on medical grounds, such as in the case of a coronary.

Miss LAMARSH: So in Mr. Parsons' case there would be no necessity for the veteran paying?

Dr. CRAWFORD: The veteran does not have to pay a thing. He can just refuse to pay, as we refuse to pay.

Mr. PARSONS: That is the procedure I tell him to adopt, but I think confusion arises from the fact that prior to the onset of the Quebec hospital act and some of these other acts—as I said a moment ago—war veterans allowance recipients were completely covered in an outside hospital in a case where an emergency occurred and they had to be taken into that hospital. I have asked doctors, where they put these gentlemen, if they feel the higher rate accommodation is necessary, to indicate so in writing in some way, but the answer I have received in a couple of cases is: "What is the difference, if it is only going to cost you \$4 now; at least it will cost \$12." There may be some adjustments necessary in the act to cover these things.

The CHAIRMAN: Thank you, Mr. Parsons. There is quite a lot left on these resolutions. It is time to adjourn.

I would like to say that the Canadian Legion will be appearing on Bill C-88, dealing with the benevolent fund, on next Tuesday, May 23, at 9.30.

Is it agreeable that we meet this afternoon at three o'clock?

Agreed.

The CHAIRMAN: We will meet at three o'clock in room 303, west block. We have another delegation after this which would like to get through today.

AFTERNOON SESSION

THURSDAY, May 18, 1961

2.30 p.m.

The CHAIRMAN: Gentlemen, will you come to order. We will continue our meeting. This morning I think we had just finished resolution No. 9 on page 3. We will take up resolution No. 10 which has to do with giving treatment to veterans in the treatment center nearest their home. Dr. Crawford might explain this. I think this came up the other day.

Dr. CRAWFORD: I would have no serious objection to this. There is nothing against it from my point of view. I think, however, that there are other matters involved. I think in general district boundaries are prescribed to suit the convenience of the veteran living within the district. I believe it would be wise to have these boundaries discussed. It might mean re-allocating the boundaries. I would certainly be willing to ask that this be studied with a view to implementation if possible. So far as the treatment branch is concerned it does not make any difference to us where we treat the man so long as his documents are available and that his other interests are being looked after at the same headquarters.

Mr. PARSONS: May I make a comment on that point? Due to the fact that a lot of rail services have been discontinued to some of the outlying points, there sometimes is a little difficulty in reporting to the medical center where previously a man may have been reporting. For example, the people up in the Ville-Marie and Angliers-Temiskaming district are sent to Montreal. There is no more rail service in there. They are not too far from North Bay. They can slide in there very easily. As I pointed out, people living in the Cornwall district are handier to Montreal than Ottawa. It would be very helpful if the veteran could declare which is the most convenient place for him to report and then after they have studied his particular case, the department could say he can go there or that they are sorry but he will still have to go where he has been going. I think it would be more convenient for the veteran, after studying his local conditions in respect of transport,

to be able to declare that he can get to a certain place a lot easier than the place where he used to go. It is a matter of consideration for the department. I think this can be worked out without too great trouble.

Dr. CRAWFORD: I am sure it can. I do not think we would go for the sort of individual election as to where a man wanted to go. This would cause all sorts of administrative difficulties. The question of whether or not they should go to North Bay or Montreal I am sure is a matter which can be studied.

Mr. ROGERS: It would just be a matter of internal administration.

Mr. MCFARLANE: May I ask if this applies to emergency cases? In the case of an emergency, if the man is confined to the local hospital in the area would the additional accommodation not be allowed?

Dr. CRAWFORD: We were not speaking about additional accommodation in this case. I think you have answered your own question. In the case of an emergency if the man goes to his own hospital, if he has a pensionable disability we will pay for it.

The CHAIRMAN: We will pass on to resolution No. 11. This has to do with the minimum of 365 days in active service. Do you mean to open this up to everybody?

Mr. HEESAHER: We say, why not?

The CHAIRMAN: Are you referring to World War I veterans in particular?

Mr. HARPHAM: This resolution is wide open.

The CHAIRMAN: Are there any questions?

Resolution No. 12, disability pensions. This is a recommendation to continue the pension to the widow.

Mr. MUTCH: I am not clear what is being requested. It says:

Be it resolved that the disability pension being paid at the time of death of a pensioner regardless of the amount of such pension be continued...

In respect of every pensioner who is in receipt of forty-eight per cent or higher, if at the time of his death his wife is living with and being maintained by him, that widow does get the widow's pension automatically. This resolution does not make it clear whether or not the suggestion is that in addition to the widow's pension she should get a continuation of his pension. Are we to understand that you do not wish to disturb the situation in respect of widows and children of deceased pensioners who retain the pension automatically as a result of his death, but that you are suggesting that, while the widows of those pensioners who during their lifetime got less than fifty per cent do not get the widow's pension, they should get the continuation of his pension. Is that the intent?

Mr. PARSONS: The intent is to take care of the widows of pensioners who are getting less than forty-eight per cent. We are asking for a continuation of the pension as it exists at the time of his death. In Canada a few of these cases now come under the War Veterans Allowance Act, but there are many which cannot. We would like to have something which would give us an interim period in which adjustments can be made for a year or so at least after the death of that pensioner.

Mr. MUTCH: It appears that this would require a statutory amendment. I must be clear on what you are asking.

Mr. PARSONS: We do not wish to disturb the present situation. We just want to enlarge it.

Mr. MUTCH: I suspected that. Thank you very much.

The CHAIRMAN: Are there any further questions?

Resolution No. 13. This has to do with a recommendation that the Department of National Defence director arranged with the Department of Veterans Affairs to grant treatment longer than a period of one year for ex-permanent force personnel and until the disability has been completely treated.

Mr. HERRIDGE: In connection with this resolution, what do the witnesses mean by the concluding clause in the resolution, "The Department of National Defence should be in full agreement." Do you mean that the legislation should be drawn so that the decision of the Department of Veterans Affairs is final?

Dr. CRAWFORD: Mr. Chairman and gentlemen, the federal government does not provide its employees with medical coverage, except serving member of the armed forces and members of the royal Canadian mounted police. These servants of the crown have medical care which is part of their contract. When a member of the armed forces incurs an illness or an injury which is the result of his service as such, he then has a claim against the Canadian pension commission which, if successful, causes him to become a responsibility of the treatment branch of the Department of Veterans Affairs for the treatment of this disability, as is the case with any other veteran. However, if the man is ill from other causes, not peculiar to his service, and is to be discharged from the armed forces, the Department of National Defence, being unwilling to see an ex-soldier pushed out on the street ill and unable to work, has made an arrangement with us whereby if a member of the armed forces is in hospital under treatment at the date of his discharge from the armed forces we will continue to treat him at the expense of the Department of National Defence. They pay us for this service for a period not longer than one year. It may be shorter than that, depending on the man's length of service in the armed forces; but the maximum period is one year. This is an arrangement whereby the Department of National Defence is paying us for a service to someone who once served with them.

I would remind you that medical care is not a right of any civil servant at the expense of the crown. It is reserved only to members of the armed forces for the time they are actively serving members, and the R.C.M.P. This proposal, of course, is quite an extension on this. It is a matter for your decision.

Mr. HERRIDGE: Is it correct to say that this is first a responsibility of the Department of National Defence to determine what service would be given?

Dr. CRAWFORD: Entirely, sir. We merely serve the department at their request and naturally any change would have to be taken up with the Department of National Defence.

Mr. MACEWAN: This is under section 11 of the regulations?

Dr. CRAWFORD: Yes; section 11 of the treatment regulations.

Mr. FORGIE: What happens to a member of the permanent force who is taken ill on the day of his discharge if he is hospitalized and his troubles are not cured within the twelve month period? What happens to him so far as National Defence is concerned?

Dr. CRAWFORD: He is probably cut off. Within this twelve month period he would be able to insure himself under a hospital insurance plan; but he ceases to be a responsibility of the crown at the end of a year. Sometimes we find that these people are still with us, and then we cover them up in some other way. There is a clause in our regulations that when we have someone we cannot get rid of we continue to treat him. This is what happens; but legally they have no claim on us.

Mr. McINTOSH: Are all ex-members of the permanent force on pension or are there certain groups who are not?

Dr. CRAWFORD: I am afraid I do not understand.

Mr. McINTOSH: Or superannuation?

Dr. CRAWFORD: If a man is discharged from the armed forces on medical grounds on the basis of being unfit to perform further duty he receives a service pension in proportion to his years of service.

This resolution really is asking for an extension of section 11 of our regulations.

Mr. McINTOSH: Just the professional soldiers and not members of the service in World War I and World War II.

Dr. CRAWFORD: No. It is labelled as permanent force personnel.

Mr. HERRIDGE: Is it correct that any member of the permanent force who suffered a disability as a result of his service would be pensioned the same way if his claim is established?

Dr. CRAWFORD: Yes.

Mr. HEESAKER: I know of a case of a chap who was in Germany. He was going on leave. An army truck was going with a bunch of the boys. On the way the truck was in an accident. The man was driven up against the front of the truck and hurt his shoulder. After a period of time he was eventually discharged. The Canadian army states that he was not on duty when he got hurt. Therefore at the end of a year his treatment was finished and his shoulder was still not right. That man had to continue his treatment himself. That is a specific case.

Mr. McINTOSH: If a man is a professional soldier, is he not like a policeman on duty at all times?

Mr. HEESAKER: No.

Mr. HERRIDGE: Has your organization drawn the attention of the Department of National Defence to this situation?

Mr. HARPHAM: Not that I know of.

Mr. PARSONS: Mr. Chairman, this resolution came up before.

Mr. HARPHAM: We brought it up two years ago, and we are bringing it back to you today.

Mr. PARSONS: In answer to my friend over here—

The CHAIRMAN: Mr. McIntosh?

Mr. PARSONS: Yes, Mr. McIntosh. According to a decision rendered on a recent pension case which I handled, a serving soldier in the permanent forces in peacetime is covered only when he is actually doing the job that he is detailed to do. Anything that happens to him that might be pensionable must arise directly from his service. In other words, if he is detailed to drive a truck, he has to get hurt driving that truck.

Mr. HERRIDGE: What authority are you using for making that statement?

Mr. PARSONS: I am using the decisions that have been handed down in certain pension cases.

Mr. HERRIDGE: Could I ask one of the officials what authority they use for that decision?

Mr. MUTCH: It is the Pension Act, dealing with permanent forces. They are only pensionable for conditions which arise out of the performance of duty. That is the language of the section. It says, "arising out of such service". For instance, a man on pass—like the chap that was mentioned a few moments ago, catching a ride—who is hurt while on pass, is not pensionable. He would not be pensionable if he was hurt while he was away. However, if he was driving a truck, say, from A to B in the performance of his duty, under orders, and there was an accident, then the driver of the truck, in that

case, would be protected. However, his passengers who were catching a ride, even though they had permission to catch a ride to the nearest railhead or somewhere else, would not be pensioned if they were hurt.

We have had only one exception to that in all my years of experience, and that is a chap going on leave in the city of Quebec. When he was going on leave, the orderly room told him to deliver a message to another office across the street. He went across the street and delivered the message, stepped out of the door, and was hit by a truck. If he had been hit going in the door before he had delivered the message, he would have been pensionable; however, he was hit when he went out of the door, and he was not pensionable.

Mr. McINTOSH: Could you state the section which covers that? The reason I ask you to do this is that it might be a matter of interpretation of a particular section.

Mr. MUTCH: I will read it to you.

Mr. HEESAKER: While Mr. Mutch is looking up the section, I would like to cite one case for you. There is one case we are fighting now, and have been for two or three years. It has to do with an air force chap. This air force chap was driving a truck and he stopped his truck on the shoulder of the road, got out, and went in to get a cup of coffee. As I say, he was driving his truck from point A to point B; he got out of the truck and ran across to the coffee shop to have a coffee. When he was coming back to his truck he was killed. That man is not liable for pension.

Mr. HERRIDGE: Was he driving the truck on duty?

Mr. HEESAKER: Yes, but he stopped the truck and went for a coffee, and when he came back he was killed. It was ruled that he was not on duty.

The CHAIRMAN: Gentlemen, I think you will find that there are some Supreme Court cases which have been decided otherwise.

Mr. MUTCH: Section 13(2) of the act reads as follows:

In respect of military service rendered in the non-permanent active militia, or in the reserve army during World War II, and in respect of military service in peacetime, pensions shall be awarded to or in respect of members of the forces who have suffered disability, in accordance with the rates set out in schedule A, and in respect of members of the forces who have died, in accordance with the rates set out in schedule B.

Now, these are the qualifying sentences:

—when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made arose out of or was directly connected with such military service.

Now, gentlemen, that is the end of the quotation. Gentlemen, take, for instance, this young chap who was injured in Germany while on leave. As you can imagine, we have had quite a number of them. The fact that he is on military duty, requiring him to be in Germany instead of Ontario, does not qualify him for pension on the grounds that it arose out of or was directly connected with such military service. That always has been the interpretation, and that is the interpretation at the present time. However, if, on the other hand, he was warned to go on mess parade and then slips on the steps of the mess hall, since a mess parade is not obligatory—(it is not a crime, or he cannot be punished if he does not want to eat)—that is not a valid reason, and if he was hurt, he would not be pensionable, unless he was given a specific order to carry to the mess hall. If he was not given such an order, and if he slipped and fell coming out of his hut and broke his neck, he would not normally be pensionable. That is the interpretation which is placed on section 13(2) of the act.

Mr. McINTOSH: Supposing that while on this mess parade he hit somebody else over the head with a stick and killed him, would he not be subject to military law and other disciplines?

Mr. MUTCH: It would depend where it happened.

Mr. McINTOSH: Supposing it was on the steps going in?

Mr. MUTCH: I cannot conceive of anyone being pensioned for committing an assault.

Mr. McINTOSH: But the point I am getting at is that a soldier is under two laws; he is under military law and also civilian law, and if you say that you have no responsibility on a mess parade, because it is not obligatory, then why would the situation that I have mentioned hold true?

Mr. MUTCH: Do not misunderstand me. I said that if the man who was going on the mess parade to get his dinner was hurt, he would not normally be pensionable. At least, it has not been held in the past that, in proceeding from his bunk to the mess hall, he was in the performance of military duty, since it is not an enforceable duty. He does not have to go. However, if he is ordered by his immediate superior to double across the parade ground to do a specific duty and he slips going across the ice and breaks his arm, shoulder, or even his neck, he would be on duty and, therefore, be pensionable.

Mr. BROOME: Mr. Chairman, I would like to comment on this. It seems to me that the intent of parliament has been pretty well circumvented by regulations. I, personally, cannot conceive that the intent of parliament was to carry it to the point where a person delivering a message goes in through a door and, when he comes out, after delivering the message, he is hit, but is not considered to be on duty; otherwise, he would not have had to come out of the damned door. I think this is something the committee would be well advised to take a good look at in succeeding meetings. I am quite sure that it is damned nonsense.

Mr. MUTCH: I just cited that case, Mr. Broome. It is more than 20 years old. I cited it because it is the narrowest and the tightest interpretation I ever saw and was used to support the reinstatement of the insurance principle. There was, in fact, such a case. However, the point is this: Generally speaking, if a man has left his quarters and is in possession of a pass for a weekend, or a fortnight, from the time that he acquires that pass and leaves the orderly room, he is not on duty, and anything which happens to him, is his responsibility. He is in the same position as any other civil servant.

Mr. BROOME: Well, my position would be that he is on duty.

The CHAIRMAN: Gentlemen, the Supreme Court of Canada have held differently in certain cases. I do not think we can settle this by argument.

Have you a question, Mr. MacEwan?

Mr. MACEWAN: I just wanted to ask Mr. Mutch a question in regard to this section 13(2), and the important words which you read from it:

—arose out of or was directly connected with such a military service.

You mentioned the word "duty" all the way through your remarks. Where did this word "duty" come from? It is not set out in the act.

Mr. MUTCH: Perhaps it would be better to say "service compulsion".

Mr. MACEWAN: Where is that in the act?

Mr. MUTCH: That is the interpretation which was put on it. You have to go outside the act to get that interpretation—the principle that serving personnel are operating as they did in wartime under the insurance principle the theory that anything that happens to an individual while he is in the service is a service responsibility, ceased with the cessation of hostilities. There have been many attempts to argue that because a person enlisted in one of the armed

forces he is compelled to go wherever that branch of the service sends him, and that he is under service compulsion. However, that interpretation has never been accepted by this or any other government. The language here attempts to be restrictive, and is interpreted as being restrictive, because it says "arose or was directly connected with such military service." Now, that clause never has been interpreted as it was during war; then it was sufficient that you were in the service and that something happened to you.

Mr. McINTOSH: It does not say that it cannot be interpreted differently, though.

Mr. MUTCH: It does not say so in the act. I can argue it either way. Many attempts have been made to have the insurance principle apply in peace time. The air force for example have attempted to get this idea in that you are protected but, in fact, there has been no change. The only real difference between permanent force personnel and any other civil servant is that in the one case they are pensionable if the injury has arisen out of or is directly connected with such service.

Mr. McINTOSH: Where is it laid down that there is no difference between the two?

Mr. MUTCH: I am saying that is the only difference. The civil servants do not have that. A person who is a member of the staff of External Affairs, and is serving abroad, is—

Mr. McINTOSH: What I am trying to get at is this: Is it a treasury minute regulation, or what—that they should not be treated any differently?

Mr. MUTCH: No. I am not saying how it got that way. I am stating the fact.

Mr. McINTOSH: But where is the basis for your policy? You have suggested the act, but that is not the case.

Mr. MUTCH: To my knowledge no provision exists anywhere for the civil servant, other than in a situation such as I described for the permanent force except the non-permanent militia. The non-permanent militia have this provision where they are protected if they are injured, or death arose out of or was directly connected with such military service. The Commission must interpret what "directly connected with such military service" means. If we were to accept the mere fact that someone who normally lives in Saskatchewan and is serving in Germany, and because the army sent him over there that anything that happens to him there arose out of his service, you would be restoring the same situation which prevailed during wartime, i.e. the insurance principle. That situation has come up repeatedly, and parliament has never seen fit to amend or question the act.

Mr. McINTOSH: I do not want to argue with you, but a difference does exist in civil servants. Certain civil servants who serve in foreign countries have different treatment given to them than civil servants who operate in Canada.

Mr. MUTCH: That is true.

Mr. McINTOSH: Then, did you not give the same interpretation, that there is a difference between the two groups, the armed services who do serve in foreign countries, and the civil servants who serve in Canada?

Mr. MUTCH: Well, the members of the armed forces serving in the summer camp, say in Petawawa, get the same treatment as they get on the Rhine. I am not arguing with you. It is just a matter of policy.

Mr. McINTOSH: Perhaps we are discussing this in the wrong place, and should not be doing it when this delegation is here. Maybe we can discuss it amongst ourselves later.

The CHAIRMAN: Have you a question, Mr. Carter?

Mr. CARTER: Mr. MacEwan covered the question I was going to ask. After listening to Mr. Mutch, I am wondering if the pension commission itself is the body that interprets the act.

Mr. MUTCH: Yes.

Mr. CARTER: Then surely they could put as broad an interpretation, or as narrow an interpretation as they wished, on it, and there is nothing to prevent them from putting a broad interpretation on it. I am referring to the words, "arose out of or was directly connected with such military service".

Mr. MUTCH: They make that decision in every case.

Mr. CARTER: Yes, but you are not compelled to put the narrowest interpretation on it that is possible.

Mr. MUTCH: I assure you that they do not. I think perhaps the only limitation on the pension commission with respect to interpretation is their sense of responsibility; it is very high.

Mr. McINTOSH: How about section 70, concerning the benefit of the doubt?

Mr. MUTCH: We will come to that. I have told you all I know about this.

Mr. MATTHEWS: That brings to my mind the question of railway men. They are covered from the time that they go on duty until they come off at night. However, they are not covered on the way home or going to work. Apparently this is along the same lines. If, in wartime, say two or three soldiers were off duty and were going down a street when a riot took place as result of which they got hurt or killed, what would be the decision then?

Mr. MUTCH: During a period of war, under active service conditions, they would be pensioned.

Mr. CARTER: Mr. Mutch, that case that you mentioned wherein this fellow was carrying a message, was it contested?

Mr. MUTCH: Yes, it was. That happened before my time, and I cited it only as an indication that, from the beginning, as far as I am aware, it was just as narrow as that. As I mentioned before this was before the insurance principle was restored.

Mr. CARTER: And it was refused on the grounds that it did not arise during duty, even though he was carrying out an order?

Mr. MUTCH: He had completed his order, and was proceeding on pass.

Mr. CARTER: But he never would have been there if he had not been ordered.

Mr. JONES: Mr. Chairman, the point, I think, that most of the members are making, and for which they are seeking an answer, is as to the difference in the eyes of the Canadian pension commission between the two phrases, "arose out of" and "directly connected with." It seems, from many of the cases and comments advanced, that the commission has failed to make a distinction, and that they treat both as the same. Is there anything further that can be said in regard to that?

Mr. MUTCH: I can only give a personal opinion. In my opinion, either one of these terms could be deleted; they mean the same thing. Broadly speaking, if a person is told to jump over one of these hazards they have on an obstacle course, and was obeying an order, as a result of which he broke his leg, that would arise out of the performance of obedience to a lawful command.

Mr. McINTOSH: That would be where he was going up, but not coming down.

Mr. MUTCH: It would work both ways in that case. He would be covered in both directions. Sometimes you gentlemen remind me of myself in other days.

In connection with these other words, "or was directly connected with such military service", this sort of thing can happen. I will give you an illustration of what I think might be the difference.

A chap is instructed to carry a message from A to B. Perhaps he is a despatch rider. In the course of doing that, he is run over by a civilian truck, or knocked down. There is a small shade of distinction, which I think is unnecessary. To me, they mean the same thing. It certainly does not restrict the commission's powers.

Mr. JONES: I think that is the point that the members do, in fact, complain about—that the same weight and meaning is given to both these phrases, whereas I think most of the members would say—and I think you must agree—that it would not be put in the act in the first place, if it meant the same thing. They put in there "arose out of" and "directly connected with" in order to cover two different types of situations.

Mr. MUTCH: You will not misunderstand me if I tell you that these things are drafted by lawyers and, in my capacity, I am not always able to fathom the legal mind. I do not know why they did it, but it has been that way a long time.

Mr. HERRIDGE: Does the commission retain legal counsel? Does it refer to legal counsel for interpretation in difficult circumstances?

Mr. MUTCH: We have three lawyers with the commission, and we do have a legal counsel on the advisory staff to the chairman, and to the commission. Sometimes he is asked what the law is. However, the final responsibility rests with the commission, even in the matter of interpretation. As you know, lawyers, as well as doctors, sit on the commission.

Mr. KENNEDY: Personnel recruited for special service in the Korean forces were placed under what they call the insurance principle and that gave them a wide coverage, even while here in Canada. Were casualties in that force dealt with by the main pension commission?

Mr. MUTCH: Yes.

Mr. KENNEDY: How much broader is it than the ordinary permanent force?

Mr. MUTCH: Well, the terms of enlistment for the special forces in the beginning were to this effect: with the cessation of hostilities, the insurance principle disappeared from the Canadian-serving soldier's contract, and in order to extend it to those who volunteered to go to Korea—they extended, in the first instance, by an order in council—what is commonly known as the insurance principle, which has been described by some as "fit for service; fit for pension". I would not want to accept that definition wholly, but quite generally, that is the impression. Later when Canada began sending members of the permanent force to Korea, they were put under the protection of the insurance principle when they got outside the 12-mile limit, after they sailed, for instance, from Vancouver. They lost the insurance principle immediately upon their return to Canada. They were not members of the special forces recruited as such, but they were members of the permanent forces who were detailed for service in Korea. As I said, the insurance umbrella covered their service abroad.

Mr. KENNEDY: Are you sure that they did not have protection before they left Canada?

Mr. MUTCH: The members of the Special Forces did. At the beginning, I said that members of the Special Forces who enlisted in it had that wartime coverage. However, subsequently, Canada did not recruit the whole force as a Special Force. It was supplemented with members of the permanent force and, of course, particularly the navy.

Mr. McINTOSH: You said there was another regulation governing the forces that went to Korea, which did not take effect until after they were outside the country?

Mr. MUTCH: At the beginning the permanent forces that were detailed for service in Korea were placed under the insurance principle when they were outside of the territorial waters.

Mr. McINTOSH: Is that part of the regulation or the act?

Mr. MUTCH: That was done at the time by order in council. I am guessing now but I believe that at the same time that the Special Force was abolished and merged into the permanent force, it may have been made part of National Defence statute.

Mr. McINTOSH: Could we get a copy of that order in council, as it might help us in determining this when we are discussing the matter later.

Mr. HERRIDGE: I have an interesting question to ask Mr. Mutch. I heard Mr. Mutch say that they were pensionable under the insurance principle once they were outside the territorial waters of Canada, which is 12 miles.

Mr. HERRIDGE: In view of the fact that the Department of External Affairs considers our territorial waters as only three miles from the shores, your department has a different opinion as to what the territorial waters are.

Mr. MUTCH: I will amend what I said. I will say, once they were outside of our territorial waters. I do not know what our territorial waters are. I know these men were provided for by the insurance principle once they were outside territorial waters. I was under the impression it was twelve miles, but I could easily be wrong.

Mr. PARSONS: I would like to give you a very recent decision of the pension board in respect of a permanent force air force lad. He was a competent driver and was ordered to take a truck from Orillia to London. He got as far as the Avenue road station of the R.C.A.F. on a stormy sleety November night. He knew he could not get to his destination that night. So he pulled into the R.C.A.F. depot. He obtained permission from his superior officer to leave the truck in for the night and find himself a place to stay and get something to eat, after getting a receipt for his truck, and then start out the next morning. He did exactly that. In stepping out of the Avenue road air force station he was knocked down in this stormy weather by a civilian car. He was killed. The decision of the pension board was that his injury did not arise out of and was not directly connected with service. When it went through to appeal I was armed with a letter from the chief of R.C.A.F. personnel here in Ottawa stating that in his opinion the man was on duty. I still lost the case.

Mr. FORGIE: If a man walks from his billet to the orderly room and is killed by a truck on his way, is he pensioned?

Mr. MUTCH: If he were proceeding from any point to another point under direct orders covering a specific time it is altogether possible he would be protected.

Mr. FORGIE: He is leaving his billets, having had his shave and breakfast and is ready to report for duty at the orderly room. He then is killed by a truck on his way to the orderly room. Is that a pensionable case?

Mr. MUTCH: I have been involved in this work too long to give a decision on a hypothetical case. It would depend on all the circumstances.

Mr. FORGIE: Those are all the circumstances I can give.

Mr. McINTOSH: May I ask a question in connection with the case which was just quoted. He was ordered to proceed from point A to point B and was given no definite time to get there. He was carrying out his instructions.

Mr. MUTCH: I would not comment on that case for two reasons.

Mr. McINTOSH: What I am asking is, was he not carrying out his instructions?

Mr. MUTCH: I would not express an opinion without seeing the file. I could not form an opinion on the information we have now. In the first place, as deputy chairman I am not empowered to comment on a decision of the appeal board of the commission, which is final, so far as we are concerned. In any case I have been associated with these things too long to give an off-the-cuff opinion until I have studied the case.

Mr. ROGERS: You would agree that the interpretation is pretty narrow.

Mr. MUTCH: I would not agree to anything until I have seen the file. Commissioners like members of parliament and other people sometimes think with their heads and sometimes with their hearts.

Mr. McINTOSH: Sometimes they use common sense.

Mr. MUTCH: I like to think that that application is more general in this work than in many classifications of society.

Mr. MUIR (*Cape Breton North and Victoria*): Would you agree that section 13(2) is wanting in clarification and that there should be some change or amendment to the act in order to clarify the section.

Mr. MUTCH: You are leading me into dangerous ground again. I do not mind. Of course, if you are asking my opinion as one with some experience in interpreting the legislation, it is my personal belief that section 13(2) as it is presently drafted clearly expresses what I believe the intent of parliament has always been. I can have no objection to the act being amended in any shape or form. Our job is to administer it. I believe that the administration of it follows the intent of parliament as expressed in that section. Unless you are going to spell out an infinite variety of situations, I have nothing to suggest in the way of a better wording.

Mr. CARTER: Could we know the date of the particular case which the witness cited in respect of the truck driver?

Mr. PARSONS: I would be very glad to send the file to Mr. Mutch.

Mr. MUTCH: I would be very glad to have it.

Mr. CARTER: Is it a recent case?

Mr. PARSON: About two years ago.

Mr. McINTOSH: Would you send the file to the chairman rather than to Mr. Mutch?

The CHAIRMAN: I do not know what good that would do. Why not send it to Mr. McIntosh. He wants to look it over.

Mr. McINTOSH: I would like to have a copy.

Mr. MUTCH: If he will send it to me I will be glad to have Mr. McIntosh look it over with me.

The CHAIRMAN: Resolution No. 14. Benefit of doubt. There was a case referred to. Would you say a word on that, Mr. Mutch?

Mr. MUTCH: Before we came in, gentlemen, I spoke to the chairman and pointed out that this committee on at least two occasions, and all previous committees with which I have been associated over some eighteen years, have declined to cite in their records the names of any case which came before the committee. This morning, quite unwittingly, I think, the leader of the delegation mentioned a name and proceeded to read some of the history. I suggested to you, Mr. Chairman, that the committee might wish to delete mention of the man's name from the record in order to preserve that unanimity which all committees in the past have thought was good.

Agreed.

Mr. MUTCH: I was inclined to butt in this morning, but I thought I would wait.

The CHAIRMAN: We are on resolution No. 14 now.

Mr. CLANCY: In respect of the interpretation of the benefit of doubt clause, do you not think it was the intention of parliament that fit for service, fit for pension, would cover that?

Mr. FORGIE: Mr. Chairman, Miss LaMarsh is unable to be present today because she is in attendance on the Indian affairs committee. I think she would like to ask how this section is applied at the present time.

Mr. MUTCH: I attempted to explain to you gentlemen two years ago how it is being applied at the present time, and the chairman honoured me, I thought, by referring to that definition in his speech in the house this year. I happened to read it since it was on pensions affairs. I can add nothing except to say that there has been no change since I spoke to you last. I went back to the chairman and then to my colleagues on the commission and told them in so many words, with some embarrassment "I know, that you gentlemen are in the habit of applying the provisions of the benefit of doubt section as laid down in the act to every case you hear. I have not I fear been able to convince some of the committee that this is so." In fact I as much as ordered them to cite in every case the fact that, having reviewed all the circumstances, they were unable to find in favour of the applicant under the act even after reference to section 70. That is being done. Some of my colleagues thought the suggestion that they did not do it was a suggested neglect of duty or something. However, we are doing it pretty generally now, even when it is probably obvious.

In answer to the question about the benefit of doubt and the slogan "fit for service, fit for pension," that was never applied even by its most ardent advocates to that extent.

Mr. CLANCY: What I had in mind is there is a feeling that if the government took a man in and he passed his medical board that the service was responsible for him from then on and that his pre-service condition was something which should never be allowed to affect it.

Mr. MUTCH: If he served in a theatre of war and there is a disability he is pensioned for the whole thing. If he did not serve in a theatre of war and it was recorded at the time of enlistment, then he gets a pension for the aggravation. It is not really as serious as you think. So far as the benefit of doubt itself is concerned, again it hinges on the interpretation, and the interpretation which is given is so generous that it has been most successful. Some of the awards made under the benefit of doubt section, I feel sure, could never stand up in any court in the world. However, nobody castigates you for being generous and by and large I assert that it is used very broadly. If we accepted the interpretation which is sometimes put on it that unless you can absolutely prove the man is not entitled to pension you should give it to him, then that clause should be all the legislation you would need and you could administer it with a few clerks and doctors; it is as simple as that.

Mr. McINTOSH: Mr. Mutch just made a statement on which I will comment. He said it was very generous. I doubt very much if those who have had a claim and have not received it would agree with that. In many cases if there is any doubt it can only be proven by the individual making the claim in the first place.

I have brought this up at previous meetings. When a man is admitted to hospital for observation and has some complaint and is discharged N.A.D., which is no apparent disability, in the first place he would not be in hospital if he did not have a complaint—the doctor was doubtful and as a result he was

in hospital. I had this very thing happen to me. I had what I thought was a disability and I knew very well it started when I was in the army. It turned out that it had nothing to do with my army service. During my medical examination in the army they could not find anything which developed in later years. Had I died at that time my wife would not have got a pension.

Mr. MUTCH: Was this in active service?

Mr. McINTOSH: Yes.

Mr. MUTCH: You would be covered.

Mr. McINTOSH: No. I made application for a pension and it was turned down. I was positive that it did happen when I was on service.

As I have said, this has been discussed in the house. We have the parliamentary secretary to the minister here and I would like him to tell the committee if he knows what are the minister's views of the discussion that was carried on in the house.

The CHAIRMAN: May I interrupt this. I think this particular question can be discussed in our committee at another time. At this time we have another delegation waiting to be heard. We have only one hour left. We cannot sit this evening. Could we move along. We have the Hong Kong veterans part of the brief to hear yet. The departmental officials will be here later.

Mr. McINTOSH: I submit this is very important.

The CHAIRMAN: You will get it on the record.

Mr. McINTOSH: I am not concerned about getting it on the record.

The CHAIRMAN: I will ask you to bring it up later, unless you think it is so important it should be brought up now.

Mr. McINTOSH: I will abide by your ruling.

The CHAIRMAN: I think it is important and should be discussed; but there is another delegation waiting.

We are on resolution No. 15. This resolution on the report of the war claims commission comes from the Hong Kong veterans.

Mr. CARTER: When I went to the house I sent to the parliamentary papers and asked for the final report of the war claims commissioner. They tell me it has not been tabled, or at least they were not able to locate it.

Mr. STROUD: In respect of resolution No. 15, as most of you gentlemen here know we submitted a brief in November for \$1.50 a day for slave labour. Since that time our claim has not been recognized, but from reports in the paper it seems that certain payments have been made for other types of claims, such as property and so on. In December of 1959 we appeared before the Minister of Veterans Affairs in Ottawa and before the Veterans Affairs committee concerning the present status of the war claims fund. At that time Mr. Brooks advised the delegation that the war claims commission had been dissolved and that the money remaining in the fund was largely depleted. I have asked for a breakdown of all claims paid from the war claims fund since our recommendation was received but ignored. Mr. Brooks said this would be coming out presently because Mr. Fleming would be receiving the final report of the commissioner. Nothing happened. We finally wrote to one of the members who is present today, Mr. Herridge, and received a reply, thanks to Mr. Herridge, from Mr. Fleming. I will quote the second paragraph. It is dated March 14, 1960. I hope Mr. Herridge does not mind my reading this:

I believe the information which you have requested will be one of the subjects of the final report of the chief of the war claims commission on which he is now working following the completion of his

adjudications at the end of December. Under the circumstances it would hardly be appropriate for me to anticipate this report which undoubtedly will be tabled in the House of Commons.

In the House of Commons on March 22, 1961, the following questions were asked by Mr. Hellyer:

1. When was the war claims commission dissolved?
2. Have the recommendations of the chief commissioner to approved claimants for awards of payments out of the war claims commission been paid in full?
3. What is the balance of monies remaining in the fund?
4. What rate of interest is it presently earning?
5. When will the final report of the war claims commission be available for tabling?

Mr. Fleming answered:

1. The war claims commission has not been dissolved.

That was the first answer given after we were told both by Mr. Brooks and by the letters we received indicating the information would be in the final report.

2. No payments of the balance of the awards recommended amounting to \$2,278,514.67, within the limit of the funds available is held up pending clarification of possibility of satisfaction available from sources in other countries and the finding of certain claimants.

What that is, we do not know. We have not been able to find out.

3. (a) Cash, \$850,315.90; (b) 2½ per cent 1967-68; government of Canada bonds, par value, \$200,000 (c) three per cent perpetuals, government of Canada bonds, par value, \$3,800.
4. Interest at the rate of two per cent per annum is allowed on cash in the war claims fund.
5. It is not known when the questions mentioned in answer No. 2 will be resolved and permit the tabling of a final report on the operations of the war claims commission. This has reference to the questions affecting the payment of the balance of the awards.

That was the answer made on March 22, 1961, after the association had repeatedly made a representation both to the Prime Minister and the former Minister of Veterans Affairs. We now learn, approximately a month ago, that the war claims commission has not been dissolved.

Mr. CLANCY: Is the letter you mentioned written by the Minister of Finance to Mr. Herridge?

Mr. STROUD: We wrote Mr. Herridge after we had contacted the minister and were promised appointments and never got an appointment. Finally, we wrote Mr. Herridge and this is a reply addressed to Mr. Herridge on March 14, 1960.

The CHAIRMAN: Could we have somebody from the department here at one of our meetings?

Mr. JONES: I will look into the matter.

Mr. CARTER: We should have a firm answer as to whether or not this commission has been dissolved. I made inquiries a year ago and was informed this war claims commission had been dissolved.

The CHAIRMAN: I think we will have to have an opinion on it at one of our meetings, and go into this at that time.

Thank you very much, Mr. Stroud.

Are there any questions on resolution No. 16? How many of these Hong Kong veterans survived?

Mr. STROUD: Approximately 1300 survived.

Mr. CARTER: And these 1300 are qualified for this \$1.50 per day?

Mr. STROUD: I would say that they are all qualified. Although I do not know each one personally, because we were all segregated in various camps throughout Hong Kong and Japan, I would say that they all qualified.

Mr. CARTER: What daily rate have you been paid to date?

Mr. STROUD: We made a claim for maltreatment, which was a separate claim in 1951, to Judge Ilsley of the war claims commission. That was \$1 a day in 1958, and then there was an amendment to it, and an additional 50 cents a day was paid for maltreatment, which makes a total of \$1.50 per day. Now, the reason we have based our claim on \$1.00 a day for maltreatment and \$1.50 per day for forced labour is the fact that during our captivity we were in the same camps as the Americans were. We were prisoners of war in various Japanese camps. The Americans received \$1.00 a day for maltreatment and \$1.50 per day for slave labour. We all went through the same camps together.

At this time I would like to bring out just one small item. One of the things, of course, is that under the regulations of the Geneva convention—and this is not a matter of money—we felt the Japanese grossly violated the Geneva convention of 1929, which we have substantiated was ratified by the Japanese, and in that Geneva convention one of the articles was that they would not use forced slave labour. It was on account of this that we have been basing our claim for \$1.50 per day, on a par with the United States forces.

Mr. CARTER: You said you were paid \$1.00 a day for maltreatment.

Mr. STROUD: Yes, and then an additional 50 cents.

Mr. CARTER: But you have not been paid. At what rate have you been paid for forced labour?

Mr. STROUD: Nothing at all. It never has been recognized. This is our separate claim.

Mr. McINTOSH: Perhaps I should know this, but was the Canadian rate of pay equivalent to the American rate of pay—and I am speaking of service pay.

Mr. STROUD: I believe it was known that when we went overseas to Hong Kong, our pay was slightly higher than the American pay. I think it was 10 cents a day. Then their pay was made higher than ours after we landed, which brings up what I have said. That is why we have been asking to be put on a par with them. I think that we should be put on a par with regard to our claims.

Another thing, the American forces who were prisoners of war in Japan were up-graded automatically one rank when they returned.

Mr. ROGERS: Can you tell me what the P.O.W.'s were paid at Dieppe?

The CHAIRMAN: Can anyone answer that question?

Mr. CLANCY: I can, Mr. Chairman, in part. A prisoner of war in the European theater only received \$1.50 a day if he was in a strafelager—which is a punishment camp, or directly in the hands of the Gestapo or the S.S. troops. If a soldier was a prisoner of war for three years, and spent only 100 days in the punishment camp, he got paid for 100 days only.

Mr. McFARLANE: There have been quite a few references to a letter written to Mr. Fleming and the Prime Minister. Could we have the letter, and also the replies put in the proceedings?

Mr. STROUD: I do not have the letter. We wrote to Mr. Herridge, who received the reply.

Mr. MCFARLANE: I think these should be put in. I think the letter to Mr. Fleming, as well as the letter to the Prime Minister, together with their replies, if possible, should form part of the proceedings.

Mr. STROUD: The letter to Mr. Fleming was written by Mr. Herridge. You would have to ask him. The reply was in respect to Mr. Herridge's letter.

Mr. MCFARLANE: You did not receive a reply directly back from Mr. Fleming?

Mr. STROUD: No, it was directed to Mr. Herridge, and we have a photostat copy of it.

Mr. JONES: Mr. Chairman, I have the dates of these letters noted, and I do not think it is necessary to go further into this subject at this time.

Mr. HOWE: Did the witness intimate that the Minister of Finance refused to see these representatives?

Mr. STROUD: We have several letters from Mr. Fleming in reply to our request for an appointment. One of them is dated August 14th, 1959, which reads as follows:

I have now had an opportunity of considering your letter of August 7th, receipt of which was acknowledged on the 11th instant.

The war claims commission is concluding its hearing both of initial claims and appeals at the end of this month, and I expect to receive the recommendations of the chief war claims commissioner about the end of October. No action of the kind you seek could possibly be taken in the interval, and I am disposed, therefore, to suggest that the discussion which you propose be deferred until after that time, if it meets with your approval.

As I say, this letter is dated August 15th, 1959, and is addressed to Mr. Clark, national secretary, Hong Kong Veterans Association of Canada.

The Quebec association also wrote letters to him and received similar replies.

Here is another letter addressed to Mr. Stanley Harpham, dominion president, Canadian Corps Association, 201 Niagara Street, Toronto 1, Ontario. This letter is dated February 1st, 1960, and reads as follows:

Dear Stan: I acknowledge receipt of your letter dated January 28th.

I shall, of course, be pleased to meet Mr. Clark on some occasion when I am in Toronto, but these trips unfortunately are irregular and hurried. I am not in a position to indicate at this time just when I might be able to meet him.

I can assure you that the claims of the Hong Kong Veterans have been very carefully and very sympathetically considered already.

With best regards, your sincerely,
Don.

Mr. HARPHAM: I wrote this letter to Mr. Fleming, the reply to which has just been read, asking for an appointment for myself and Mr. Clark. I put it this way: that we would be glad to meet him in Toronto at a time suggested by him. No doubt, he has forgotten all about it.

Mr. MATTHEWS: I received the impression that the Prime Minister and Mr. Fleming had not answered letters which were forwarded to them. However, that is not correct, is it?

Mr. HARPMAN: It is possible that we may have written to the Prime Minister. I could not tell you without checking our files.

Mr. MATTHEWS: But the point is that they answered your letters at all times.

Mr. HEESAHER: They were all answered, but very vaguely, sometimes.

Mr. MATTHEWS: That is not the point. I was under the impression, from the evidence I heard, that they had not replied, and I could not understand that. I know, from my experience, that any time letters are directed to officials of the Department of Veterans Affairs, replies are always forthcoming, and I could not think for a minute that the Prime Minister and Mr. Fleming would not work along the same lines.

The CHAIRMAN: I think it is something that we will have to take up with the officials.

Mr. ROGERS: When did you start to work on this?

Mr. STROUD: On the war claims?

Mr. ROGERS: Yes.

Mr. STROUD: Since 1948, before there was even a war claims commission set up in Canada. Here was one of the first letters to inform us that Canada had an observer in the United States, when they were proceeding with their war claims. It is addressed to us from Washington, D.C., and is dated April 28th, 1950. Mr. Napier at that time was a representative of the Canadian war claims. He was in Washington, D.C., as an observer. We had been approximately 13 years making representations on war claims, and have not been recognized in that 13 years for our aforesaid slave labour.

Mr. MCFARLANE: Has this situation been placed before the veterans affairs committee in previous years?

The CHAIRMAN: Yes.

Mr. STROUD: Yes.

Mr. MCFARLANE: I am trying to bring this thing into focus. How many years has it been brought to the attention of the veteran affairs committee?

Mr. STROUD: Probably I could answer that one for you. Some of the representations which were made, were made directly to the Secretary of State, and also directly to the Minister of Veterans Affairs. The first official representation to the standing committee was made here on Monday, March 9th, 1959, and the minutes of proceedings are covered in Evidence No. 4.

Mr. HARPAM: On March 23rd, 1959, I appeared before this committee, and brought up this resolution No. 4, that whereas since 1947 representations have been made requesting compensation for maltreatment and forced slave labour by fellow prisoners of war held in Japanese prison camps. They were here on March 9th. They appeared on their own, but as a member of the Canadian Corps Association, we endorsed our representation, and we brought this question up at that time, on March 23rd, 1959, through our resolution No. 4.

Mr. MCFARLANE: From what has been said, this apparently has been in the hands of the government since 1948 or 1949. What has happened in the interval of ten years?

Mr. STROUD: During the interval of ten years I have received a great deal of correspondence. I could not even carry all the correspondence I have received in my briefcase. When the first arrangements were made, we appeared before Judge Ilsley, who was then chief of the war claims commission, and we gave evidence on the conditions in Hong Kong and Japan in respect to our treatment, as well as on the aforesaid slave labour. I appeared on that committee. At the time, there was a little over \$3 million available in the fund. There were certain assets which had not been taken into account, but, at the time, there was a

little over \$3 million. His suggestion was that we should stick to the maltreatment claim, and, when the moneys were available, then to continue pressing our claim for the forced labour, which we did.

In 1952 the first payment was made to the Hong Kong veterans in connection with maltreatment and, when that payment came, we continued to press, since 1952, for forced slave labour. At that time representations were not made here, because no veterans affairs committee was set up at that time. We appeared before the Secretary of State, and I am sure they have plenty of correspondence to substantiate that. We appeared in front of Mr. Lapointe and the other minister.

The CHAIRMAN: There is a report by Mr. Justice Ilsley, which I imagine you could obtain, and I think that the newer members of this committee would be well advised to read it. It is dated February 25th, 1952, and I am sure that it would give you a lot of facts which you would like to have, as a result of which you would not have to ask so many questions.

Mr. FANE: Can that be supplied to us?

The CHAIRMAN: You will have to get your own copies.

Mr. KENNEDY: Was there not a payment made around 1958 or 1957?

Mr. STROUD: Yes. That was additional. There was an order in council for an additional 50 cents which brought the maltreatment up to \$1.50.

Mr. KENNEDY: Not just 50 cents?

Mr. STROUD: We were paid 50 cents more on the maltreatment.

Mr. FANE: I would like to move, Mr. Chairman, that the committee be supplied with copies of that war claims report.

Mr. HERRIDGE: I will second the motion.

The CHAIRMAN: It has been moved and seconded that the committee be supplied with copies of Judge Ilsley's report.

Mr. JONES: It is the report of the advisory committee.

The CHAIRMAN: Yes, and it is dated February 25th, 1952. I suspect that many of you already have this.

Mr. BROOME: Some of us have.

The CHAIRMAN: We will do the best we can to obtain copies for you. Is that agreeable?

Some hon. MEMBERS: Agreed.

Mr. DENISON: The question will probably come up, if this resolution is considered, as to why we are entitled to more than the Japanese assets amounted to, which went into the war claims fund. In this volume, under the heading, "Pooling", at page 17, Judge Ilsley recommended that all funds go into the pool—that is what he called it—and that payments be made out of that by any claimant, whether he was in Europe or Japan.

The CHAIRMAN: Or, a civilian.

Mr. DENISON: We sometimes wonder what the Minister of Finance means when he says that all payments from Japanese sources into the war claims fund have now been distributed. Whether he means that we have had more than we are entitled to, because we have been paid a lot more already than the Japanese assets amounted to, I don't know. However, this has become the role and procedure for the war claims commission. It was set up after this, and the government accepted this as their rules and procedures. That is the recommendation of the chief justice, who drew up the rules. I just wanted to draw your attention to that point.

The CHAIRMAN: It has been agreed that we will try to get those copies for the committee.

Gentlemen, that brings us down to resolution No. 17.

Mr. McINTOSH: Before you leave this section, could I ask if this pamphlet here has any mention of civilian claims in it?

Mr. DENISON: Yes, it has. It covers all claims.

Mr. STROUD: Actually, it covers loss of property, as well.

Mr. ROGERS: When were you first paid the \$1.00?

Mr. STROUD: I have the order in council here.

Mr. PARSONS: It was 1952.

Mr. STROUD: October 9th, 1952, P.C. 4267. That was when the first payment of \$1.00 a day was made.

Mr. HERRIDGE: Mr. Chairman, with respect to this last resolution, I presume that the witnesses realize that the standing committee is now included in the rules of the house, and appointed automatically each session. However, you make this reference:

And further be it resolved that the standing committee on veterans affairs grants sufficient preparatory time for the purpose of such presentations, namely, not less than 15 days.

Do you feel that on occasion you have not had sufficient notice of time?

Mr. HARPHAM: Yes. In some instances, we wish to obtain opinions from our branch and other parts of the country. This all takes time. All these resolutions are discussed before we bring them down here. All we are asking, gentlemen, is that from time to time we can come down here and lay before you the problems which confront us.

The CHAIRMAN: Did you have sufficient time this year, gentlemen? That is the inference that has been made.

Mr. HEESAKER: We did, this year, but in 1959 we only had two or three days' notice, and it could happen again.

Mr. HERRIDGE: You had plenty of time this year?

Mr. HEESAKER: Yes.

The CHAIRMAN: Gentlemen, this has been a most fruitful meeting, and we thank you very much for your attendance with us this afternoon.

Mr. HARPHAM: It is a pleasure to come before this committee, Mr. Chairman.

May I just say, before we leave, that the status of Canada today is enhanced by what we did in the field of battle. I think Canada today owes a good deal to those servicemen. We are not a privileged class, but we do want fair play for those who were not able, and cannot always seek what is theirs by right.

Mr. JONES: I think we might signify in the usual manner the way we back up our chairman's word of thanks.

The CHAIRMAN: Gentlemen, we have not too much time left. Would you please come to order.

As there are only two representatives here from the Canadian council of war veterans associations, I will introduce them to you.

This is Mr. Hooper, veterans affairs officer of the Canadian council of war veterans associations, on my right, and next to him is Mr. John A. Small, executive secretary of the Canadian council of war veterans associations.

Mr. Small will read the brief.

Mr. JOHN A. SMALL (*Executive Secretary, Canadian Council of War Veterans Associations*): Mr. Chairman, and members of the committee, we

were down here when we were discussing the change in the Pension Act, and at that time you received this brief. This is a further copy of it, and it deals with other points.

You already have dealt with recommendation No. 8. We will try to be as brief as possible. However, I would like to make one comment. We took the opportunity of possibly a little free advertising for what we feel is a very unique project, our pamphlet covering Camp Maple Leaf. It is in the way of a memorial to our dead.

RECOMMENDATION No. 1

Uniforms

Whereas the Department of Veterans Affairs operates an ambulance service, for the purpose of transporting veterans to and from Sunnybrook Hospital.

Whereas we believe that in the interest of good public relations, the driver and attendant should at all times be dressed in a manner, that would be a credit to the Department of Veterans Affairs. The Minister of Veterans Affairs should remove the present unsatisfactory mode of dress, in regard to the above mentioned employees.

Comment

It is noted that the drivers and attendants wear varied and assorted clothing. We feel that a uniform dress would be a credit to the department and would give the public a great deal more confidence in the ambulance service.

RECOMMENDATION NO. 2

Remembrance

Whereas many municipalities throughout Canada, do not observe November 11, Remembrance Day, as a statutory holiday.

Whereas many Canadians are being deprived of the opportunity to pay homage to Canada's war dead.

Whereas we believe that this day should be recognized, as a day of remembrance throughout Canada, to the memory of all who gave their lives for Canada.

Be it resolved that the Canadian government, take action to ensure that the present unsatisfactory arrangement at the municipal level, be removed in order that the day may be observed in a fitting manner.

Comment

Many municipalities do not give the respect to this day, that this day deserves. We feel that this day should ever be remembered by the present and future generations, for the sacrifices that were made.

RECOMMENDATION NO. 3

Breezeway

Whereas the present admission entrance to Sunnybrook hospital, to all intent and purpose has become obsolete.

And whereas this entrance is used by department ambulances private agencies, etc.

We strongly recommend that immediate action be taken, to eliminate a condition that is not a credit to the Department of Veterans' Affairs.

Comment

Other veterans' organizations have requested that action should be taken, to remove this unsatisfactory condition.

Next of kin, of veterans being admitted under adverse weather conditions, have been very critical of the present arrangement.

It is to be further noted that during the recent winter, patients were being admitted, under conditions that the Department of Veterans Affairs should rectify immediately.

I would like to comment briefly on this. This was in the brief two years ago before the committee and we are given to understand recently that this matter now is being dealt with by the department. We want to congratulate the department for finally getting around to doing this vital job.

RECOMMENDATION NO. 4

Veterans Preference

Whereas representation is made directly and indirectly to the Canadian government, to abolish the veterans preference in the public service.

And whereas the government has refused to abolish existing regulations, pertaining to the said preference.

Be it resolved that we wholeheartedly commend the government for this stand, against a minority group of none-service citizens, and in some cases veterans.

Comment

This type of legislation is of tremendous value, in government and municipal administration, supplying employment in many fields, in the post war years to qualifying veterans.

We believe that many municipalities followed the action of the government, and through this medium, many veterans received employment in civic administrations, such as fire fighters, police, etc.

In the event of another conflict, it would be unfortunate if the returning veteran is denied the same privilege.

RECOMMENDATION No. 5

Canadian fire fighters

That WHEREAS the Canadian Fire Fighters, who served in the United Kingdom during the period 1939-1945, served under the same oath of allegiance to the crown, as the armed services.

WHEREAS the United Kingdom was declared an actual theatre of war, and so forms a basis of veterans entitlement; i.e.—pensions, rehabilitation, etc.

BE IT RESOLVED, that a complete revision of all legislation pertaining to the enlistment and service of the above mentioned Fire Fighters, be immediately undertaken to remove that which appears to be contradiction and possibly just personal opinion, as to the interpretation and application of the said Canadian Fire Fighters benefits.

Comment

Orders in council P.C. 3228 and P.C. 3229, May 1945 regulate two so called classes of civilians in service. One received the Canadian Volunteer Service Medal, the other was excluded.

Regulations governing entitlement and pension, is veterans legislation. Section 6 of Veterans Treatment Regulations, entitles Fire Fighters to pension. And for the purpose of denying the application of Fire Fighters for other benefits, they are classed as civilians.

Fire Fighters, following their peace time occupation as volunteers, in a time of crisis, should not be discriminated against, in so far as total rehabilitation is concerned. This has been suggested as a detriment, and cannot be accepted. The same condition applies to butchers, drivers, doctors, and many others, who were accepted into the services by virtue of a particular skill, some 'over age'. The applied civilian skills, in many categories, were of the utmost importance, to assure the services a competent force. It is suggested that the Fire Fighters were not an armed force. In an actual theatre of war, their tools of trade prevented possible total destruction by enemy action. Therefore to all intent, they were "armed" to prevent destruction.

The same approach, if applied, could also implicate the medical corps, as "non combatant and unarmed".

It is unfortunate that those service personnel, who refused to bear arms, and used the medical corps as a medium to follow their so-called ideology, received full rehabilitation. Also, conscriptees, in some cases, received more recognition than the Fire Fighters, who volunteered to serve in any theatre of need.

We have outlined these contradictions, in the hope that a complete and unbiased review takes place, in respect to all who may have served in a so-called civilian status, in any theatre of war.

RECOMMENDATION No. 6

Treatment

Whereas many veterans in departmental hospitals, are admitted under a recovery clause, re provincial hospital insurance plan.

WHEREAS continual publicity is given to private hospitals being unable to accommodate many persons applying for admission.

BE IT RESOLVED that the Veterans Treatment Regulations be so amended, to admit all veterans to departmental hospitals, subject to an order of preference—pension and entitlement, war veterans allowance, etc.

Comment

We believe that a change in legislation in this matter, would have outstanding merit, and in the future, would be of great value to one section of our civilian population.

Former veterans being admitted to departmental hospitals, under present Veterans Treatment Regulations, are well documented. If the treatment regulation field was broadened, it would without a doubt, bring all former veterans applying for hospitalization, into the medical documented class and therefore, in the event of future illnesses, less time would be lost in the diagnosis stage, with the consequent decrease in the number of days spent in hospitals.

We further believe that departmental hospitals should have an emergency ward. This in turn, would eliminate the present adverse publicity that is often levelled at the department, re the very slow admission procedure. The patients' categories under Veterans Treatment Regulations, could then be investigated during emergency treatment.

RECOMMENDATION No. 7

Domiciliary Care

Whereas the former minister of veterans affairs, has by the medium of correspondence, stated that the department of veterans affairs has no real responsibility in the care of ageing veterans.

And whereas he has further stated, that the responsibility rests primarily with the municipal or provincial authorities.

Be it resolved that domiciliary care patients be removed from the allotted wards in the hospitals of the department.

And be it further resolved that, *failing to accept the responsibility in full* for the ageing veterans, that separate domiciliary care be acquired, and that it be a joint responsibility, dominion, provincial and municipal.

Comment

These veterans, in many cases, gave the best years of their lives in the service of their country, and are not, just another civilian. Many have, without a doubt, aged prematurely, and must be classed as having acquired the initial stages through service.

Resolution No. 8 was dealt with in February.

We sincerely hope that we have presented our brief in a manner that is a credit to the organizations that we represent. And, we have appreciated the opportunity of meeting a committee, who have in common with the Canadian Council of War Veterans' Associations, legislation that is vital to both the present, and future, welfare of veterans.

Thank you.

The CHAIRMAN: Thank you very much. The first recommendation is on uniforms for the ambulance drivers.

Mr. CARTER: Could Mr. Small tell us how many members are represented by these organizations?

Mr. SMALL: The total membership now is approximately eight thousand. Since we printed this we have added the 18th battalion and some of the war pensioners have requested membership.

Mr. COOPER: The reason we have mentioned the uniforms is that I am more or less in contact with a good many of these drivers and also with many of the the hospitals and organizations who have noticed that the ambulance drivers have very often appeared at a house, and when delivering patients to or from Sunnybrook hospital, when they thought they should have been better dressed. I should add that a part time man at Sunnybrook hospital now stands out above all the rest. He more or less has formed a dress of his own. He has added tremendously to his appearance. This may not only apply in the district we represent it could apply also right across Canada. We had a uniform in mind somewhat similar to that of the St. John's ambulance drivers.

Mr. HERRIDGE: This is rather a novel suggestion. We never before have had suggestions or resolutions to the committee of this type. I suggest that this is as a result of comments made to members of your organization. Have you anything to say on this, Dr. Crawford?

Dr. CRAWFORD: Although I might disagree with some of the underlying philosophy, I could not agree more with the desire of your objective. The question of uniforms is perhaps new to this committee, but it is far from being new to the officials of the department. We have been waging a running battle for many years, now, on the question of uniforms, not only for ambulance drivers, but our staff—those who drive cars, and the whole subject of uniforms

for drivers in the government service is now, I understand, the subject of study of a special committee composed of the civil service commission, treasury board and so on. However, anything that could be done to give us the kind of uniforms we want would be greatly appreciated.

Mr. McINTOSH: Is there much of a turnover in ambulance drivers?

Dr. CRAWFORD: There is considerable turnover, but they run, more or less, within standard sizes.

Mr. ROGERS: When is a decision going to be arrived at?

Dr. CRAWFORD: I am sorry, but I have neither a crystal ball nor \$64.

Mr. HERRIDGE: Mr. Chairman, I think we could take in the thoughts and feelings of the officials who are here, as well as the members of this committee, when we make our report. In this way, it possibly would speed up the decision.

The CHAIRMAN: The next resolution deals with the observance of Remembrance Day.

Mr. SMALL: Could I say a word on that?

The CHAIRMAN: Yes.

Mr. SMALL: I would like to make a couple of comments on this, if I may, gentlemen.

There seems to be a growing trend today to do away with Remembrance Day. I am an employee of the city of Toronto. This year Remembrance Day falls on a Saturday, and, as far as I can find out, there will be no public holiday on a Saturday. Other veterans organizations in the city of Toronto have talked to the Toronto board of education on this matter, and they have been told that in 1963, when Remembrance Day will fall on a Monday, that the school children will not receive a holiday in Toronto. We abhor this trend, gentlemen. It seems to be getting more and more to the point of forgetting about it. We would like you gentlemen to come up with some way or method—I do not know how you will do it—whereby some teeth will be put into this act, and Remembrance Day will be a public holiday.

Mr. FORGIE: If I could make the first suggestion, I think the dominion government should take the lead and close on Remembrance Day. If the Dominion Government does not do that, how can they expect the municipalities and the Ontario government to do so?

Dr. CRAWFORD: Remembrance Day, is a statutory holiday in the civil service.

Mr. McINTOSH: What is the definition of a statutory holiday? Does a statutory holiday mean that it is declared by the Government of Canada?

Mr. JONES: I do not want to go off the cuff to give a legal opinion on it, but the municipalities are creatures of the provincial governments and, therefore, controlled by them. There are certain powers the federal government has in declaring national holidays, but I think the provincial responsibility should not be forgotten.

Mr. McINTOSH: Then it is left to the provincial and municipal councils to decide whether or not it will be a statutory holiday.

Mr. JONES: I do not want to say that, but provinces do have the authority to create holidays as they see fit. Each province has different holidays. I would like to re-state that the municipalities' functions are as a result of the legislation of the provinces.

Mr. MATTHEWS: Could we obtain information from various service clubs elsewhere as to how many cities do observe the 11th of November? In this way

you might get an idea as to how big a job it is to have it become a legal holiday right across Canada. I know of some cities which always observe the 11th of November.

Mr. FORGIE: You will never get it unless it is enacted by parliament.

Mr. SMALL: I had occasion a few years ago to have some correspondence with a minister, and if I could remember the wording of the act, I think it states that Remembrance Day shall be kept a statutory holiday and kept and observed as such. However, I am concerned that it is not kept or observed.

Mr. MATTHEWS: I know some towns which are possibly only thirty miles apart, and one will observe it while the other will not. I was wondering to what extent they observed it right across Canada.

Mr. CARTER: What you are asking for is a national holiday?

Mr. SMALL: Yes.

Mr. CARTER: Then I think that would place it on the federal level.

The CHAIRMAN: It should be. I always had the feeling it held the same status as the 1st of July.

Mr. FORGIE: The House of Commons will have to close on that day if it is a national holiday, and I think the leadership should come from the House of Commons.

Mr. MATTHEWS: In the United States Decoration Day is a national holiday. I do not know whether or not they observe any other days.

Mr. FORGIE: They observe Thanksgiving as well.

Mr. MATTHEWS: Decoration Day is in remembrance, I believe, of the soldiers, and it remembers them going back a number of years. I do not know whether or not they have any other day. However, they observe Decoration Day in every city of the United States.

Mr. FORGIE: Lincoln's birthday is observed, too.

Mr. HERRIDGE: I think this is a matter for the members of the committee, when they speak in the House of Commons on it. They can express their opinions at that time.

The CHAIRMAN: We shall now pass on to the next recommendation.

Mr. MCINTOSH: Before you pass on, Mr. Chairman, I wonder if the witness could tell us if they know of any representation by any of the provinces which objected to this as a national holiday?

Mr. SMALL: Not to our knowledge.

The CHAIRMAN: As Mr. Herridge says, this is something that we could include in our recommendations to the department.

No. 3 has been taken care of. Recommendation No. 4 will be next.

Mr. HOOPER: I have one comment to make on this, if I may—and this is for the record. It is unfortunate that certain organizations and individuals in the past have requested the Canadian government to abolish the veterans preference in the public service. That is the reason why we brought this recommendation forward. We want to commend the government for their action in maintaining that in the public service, as we stated.

The CHAIRMAN: Thank you, Mr. Hooper.

The next is the fire-fighters resolution. Are there any questions on that?

Mr. CARTER: Did we not make a recommendation on this in our report two years ago when the fire-fighters themselves appeared before our committee.

The CHAIRMAN: I do not think we made a recommendation. I do not know if we were told it was a matter for national defence, but in any event I think a committee is working on that now.

Mr. SMALL: I am not a member of the corps of fire-fighters, but the representative was unable to be here and I am trying to fill in for him. The items they have listed appear in the proceedings of the special committee on veterans affairs of June 15, 1948. Here they have listed the benefits that the armed forces received and the ones which the corps personnel did not receive. Some of these have now gone by the board. The others they would still like are, first, that they may be entitled to wear the Canadian volunteer service medal. That is the only medal they are not entitled to wear. They feel that if they are entitled to that, that it in itself would put them under the War Service Grants Act. Under the War Service Grants Act they receive \$19 for every thirty days of overseas service. They did not receive anything for service in Canada and did not get the re-establishment credit. Another item is that they are entitled to benefit under the Veterans Land Act only if they are in receipt of a pension. They feel that should be open to all members. The last item is the War Veterans Allowance Act. They are not entitled to any benefits under the War Veterans Allowance Act. We feel they should be.

Mr. FORGIE: What is the strength of this group?

Mr. SMALL: I think it is between three and four hundred. I am not too familiar with their background and I am sorry I cannot give you the exact information.

The CHAIRMAN: We had a very good brief on this about two years ago.

Mr. HERRIDGE: These representations are in line with those made at that time.

Mr. SMALL: Yes. They are asking again for what they did not get at that time.

Mr. O'LEARY: What were their rates of pay as compared to the armed forces.

Mr. SMALL: Their pay and allowances were the same as the army.

Mr. ROGERS: I am wondering how the different associations feel about the fire-fighters having what they are asking.

Mr. SMALL: Personally, I am a little prejudiced, as I work for the fire department. I am wholeheartedly in favour of this. This has been adopted at a general meeting of our council and we have gone on record in support of this. Their attestation was the same as that for the army. They were overseas and volunteered to go on the continent and do any work required of them as the invasion took place. I believe one hundred of them were given special training for that purpose but were never called.

The CHAIRMAN: We come now to recommendation No. 6 which is a resolution that the veterans treatment regulations be so amended as to admit all veterans to departmental hospitals, subject to an order of preference—pension and entitlement, war veterans allowance, and so on.

Mr. HERRIDGE: Could the witness expand on that?

Mr. HOOPER: The thing is that they keep asking the department to take more in. We, as counsel, felt that due to the fact that the Ontario government now has a plan whereby there is a certain amount of recovery made, that the cost would be minimized now, and by broadening the over-all picture of the treatment regulations, it would, in turn, be of tremendous help to hospitals that are now at a breaking point in respect of rooms. It is very difficult to get into the average hospital today. I think the main thing is as we said here, and I will give you one case. A veteran appeared at Sunnyside and was refused admission. He should not have been refused. However, that is aside from the point. He was taken from there to another hospital downtown and was taken in with what they considered a serious

condition. According to his own words, they spent 12 days trying to determine what was causing his particular upset. He only received medications of a particular type that they thought would do the job at that time, and it was two weeks before he started to receive the treatment that eventually had him discharged from that hospital. The next time, due to the fact that there was quite a disturbance raised because he was refused admission, he was admitted to Sunnybrook and was out again in seven days and back on his job in the post office. We know there are a number of cases like that. We felt that if this was taken under the wing of one department—the Department of Veterans Affairs—in respect to treatment, it would automatically take the weight off the civilian hospitals. However, in turn, we definitely feel that it would more or less cut down on the number of days spent in hospital, not only in a departmental hospital but a civilian hospital.

Mr. McINTOSH: I am concerned with the last paragraph under the comments here. Can the witness say that admission to this hospital is any slower than it is to any other normal civilian hospital?

Mr. HOOPER: I can only say, by virtue of the number of claims we have received perpetually. I am a welfare and veterans affairs officer of the Canadian council, and time and time again I get calls stating there have been delays in respect to admission to a departmental hospital. So, over the years we thought that if the regulations were changed, and, if they were not, even that this particular ward would be opened so that immediately a man came into a hospital and as long as his file number was known, and as soon as it was known that he was a pensioner, and therefore entitled to admission, he would not be kept in the waiting room, but whipped immediately up to the emergency ward. As is well known, on occasion when veterans are brought in, they might be brought in under a certain section and then recategorized later. The delay is caused by trying to determine the section under which they come. We feel he should be taken into the hospital immediately and given immediate treatment.

Mr. McINTOSH: Did you say you were a councillor just now?

Mr. HOOPER: No, sir. I am a veterans affairs officer with this organization.

Mr. McINTOSH: Did you follow up these complaints?

Mr. HOOPER: I got all the complaints.

Mr. McINTOSH: Did you say you were a counsellor?

Mr. HERRIDGE: Of this organization.

Mr. HOOPER: Of this organization.

Mr. McINTOSH: Did you follow up these complaints?

Mr. HOOPER: In many cases we did but the admission staff admitted they had no other alternative. They had to follow that procedure.

Mr. McINTOSH: Is that not just normal procedure in any hospital? To an outsider it seems very easy to put a patient into a ward, but I imagine the doctors will tell you why it cannot be done. There are certain steps that have to be taken.

Mr. HOOPER: I am aware of that.

Mr. McINTOSH: I am surprised they have not got an emergency ward but, at the same time, an emergency ward would not speed up anything.

Mr. HOOPER: Actually what we are primarily concerned with is that if you saw some of the set-up in reference to the admission system then you would probably get a different picture of it. Actually sometimes time is a determining factor.

Mr. McINTOSH: The suggestion has been made here that you used the wrong word—"emergency". Most hospitals do have an emergency ward.

Mr. HOOPER: Yes, but in many cases where someone has phoned Sunnybrook to say that a particular man is coming, there still seems to be a bit of delay in getting the man up to his ward. We are primarily concerned with this hospital, and are not too much concerned about other hospitals. We feel that if we set up an example, set up some kind of new procedure whereby these delays would be cut, then other hospitals in turn might follow our example. Doctor Crawford is here and he is conversant with all the phases of this. It is not only your idea; we always get these complaints from other veterans' organizations.

Mr. McINTOSH: This seems to be a reflection on the administration of Sunnybrook hospital and I think you, as one officer of the organization, when these things come up should tell them that is not the case at all.

Mr. HOOPER: We go along and speak to them, and they tell us they cannot speed it up any more than they have done. What we are asking you to do is to determine whether it is possible to speed it up. If it is not possible to speed it up, then we will abide by that decision.

The CHAIRMAN: Doctor Crawford, would like to comment on that?

Dr. CRAWFORD: There are two points in this recommendation. First it states:

Be it resolved that the veterans treatment regulations be so amended to admit all veterans to departmental hospitals—

—in order of preference. Frankly, gentlemen, I submit our regulations do not require amendment in this connection. We already, under our regulations, admit all veterans to our hospitals under certain conditions. You are familiar with section 13 and section 23 of our regulations, and by our standards non-entitled veterans count for something between 12 and 13 per cent of our active treatment load. I suggest the only way to look at this is to give me authority to provide more beds for non-entitled veterans in order to relieve the situation in civilian hospitals.

Secondly, the question of delay in admissions comes up. This undoubtedly does happen from time to time, as it does in all hospitals. I do not think from the investigations I have made of complaints of this nature that we are any more at fault in this than any other hospital, but it does happen. We have first of all to determine the nature of the illness, in order to decide where the sick person must go. We have to determine entitlement under existing legislation, and if we are full we may hesitate to admit a man for a non-entitlement disability, provided it is not an emergency case. If it were an emergency we would not hesitate at all or if it were a pensionable disability. These things take time. I do feel that so far as it is possible to do so our cases are admitted as rapidly as those in other hospitals.

Mr. ROGERS: I am glad that the point has been clarified, because I was under the impression that veterans' hospitals admitted any veteran.

Mr. HERRIDGE: Would the witness tell the committee if he knows of cases? Can he give us the time, where he is complaining about the time it takes to admit the veteran?

Mr. HOOPER: In some cases we have not been able to get a doctor to see the patient to arrange for his admission into a ward. I have committed myself to the extent of saying an hour, and in some cases two hours. It is unfortunate that I am put in a position of having to answer that question, because I work for the department and I am a veterans affairs officer on the Canadian council, and it sort of puts me on the spot. Nevertheless, I feel we do these things with one thought in mind. We take these complaints, and no matter who it is we try to clarify them as much as we can. This resolution has been on our pages for almost two years. That seems to be one little bug. Sometimes they do not seem to be able to get a doctor. It has been noted that within the last

two or three months a complaint was brought forward that a patient was brought into Sunnybrook around 11.30 in the morning, and he was still lying in the admission office with a curtain around him, and with his wife sitting there, at 1.20 in the afternoon. At that time there was a complaint made and I investigated it. They said they were unable to get a doctor. That is a thing over which we have no control. We do not like to handle these cases. We like to keep clear of them. As Dr. Crawford said, there are delays on some occasions. These statements have been brought home to us as a council from all the various veterans' organizations, asking us to bring the matter to your attention, and saying that if nothing can be done they will have to be happy with it, but if something can be done they will be even happier.

Mr. HERRIDGE: With a hospital the size of Sunnybrook, is it not possible to have a doctor on duty there at all times?

Dr. CRAWFORD: It is very difficult to explain. I have something like 89 internes in residence there. This is a situation which, on the face of it, would look pretty bad, but when a man wants to be admitted, let us say in the morning, then obviously someone will have to check, someone will have to see him. So he is referred to the general clinic in the out-patient department for examination. The general practitioner seeing him in the screening clinic may perhaps feel that he should have a specialized opinion, and the man may be referred to a specialist in the afternoon. This is obviously not a case of emergency. This is not the sort of procedure which would take place if it were an emergency.

The man is given his lunch at the hospital and he is seen by the specialist in the afternoon. The specialist conducts his examination and may express the opinion that the man should be admitted, so he is. But he may have been there since nine o'clock in the morning and not in fact admitted until perhaps three o'clock in the afternoon. This may look pretty bad, just in looking at the clock; but if you look at what has happened in the meantime it is not unreasonable.

Mr. HOOPER: I want to make one more comment. We have been doing this in a way that the department has been criticized. We wanted this because we knew and felt we would be able to put these criticisms in a proper light, and are very pleased that Doctor Crawford could be here.

The CHAIRMAN: There is one more resolution—number seven.

Mr. McINTOSH: In reference particularly to the first sentence, do you mean in relation to the domiciliary care?

Mr. HOOPER: That is correct. It is headed domiciliary care. The correspondence was read to the general meeting and that is what it stated, that it is the department's responsibility.

Mr. ROGERS: That is not for reason of age?

Mr. HOOPER: According to this letter, they did not have any responsibility.

Mr. McINTOSH: Have you got a copy of the letter with you?

Mr. HOOPER: That should be on file.

Mr. CROMB: It refers to veterans who have illnesses and are not pensionable and who do not come under the war veterans allowance.

Mr. McINTOSH: You should make that clear.

Mr. HOOPER: This has been before you, gentlemen, and we just thought of this idea because we know it has been brought before the committee. We are not going to dwell on it too much. We know that, as we look forward, the number of men that are under domiciliary care today and the way they are spread out, it is only reasonable to assume that with the number of veterans enlisted in the second world war as compared to the first world war that there could be a possibility that we would be short of room in the future. The main thing we

had in mind, was mentioned on my left, that in many cases a lot of these men are not in receipt of any disability pension at all. They are domiciliary patients in virtue of service, and the angle we had in mind was that if these are going to increase according to age and because there has been some responsibility taken, it is obvious that this responsibility is there. The department is doing a remarkable job with these men. We have noted that many of them are reaching the stage where they do not seem to get outside, they are up on the second and third floors, and our idea was that if you could get domiciliary care you could bring them down on one floor level where these men could get out in the open during their declining years and get more of the sun, and so on.

I can remember back a few years ago that used to be a problem. We used to take as many veterans as we could down the elevators and out into the sunshine. We have found that veterans all over the city of Toronto are in various rooms and hospitals and that under new regulations they could be settled by domiciliary care, and that they could be properly looked after. In conjunction with the same idea, the Canada Council has arranged to take 50 of these men at the end of September to a summer camp to give them a holiday for two weeks. We believe the need is there.

MR. HERRIDGE: This is rather an unusual statement in the first paragraph. I am of the opinion it must have been stated previously, what is said by the Minister of Veterans Affairs under former governments, that it must have been a poor person, because generally we accepted that veterans are a responsibility of the central government. Would you mind sending a copy of that letter to the chairman of the committee?

MR. HOOPER: I will do my best. I read the letter myself and I know it was in the hands of the secretary of the advisory committee. I am quite aware of that. If we can get a copy of that letter—you may be assured we can get it—we will do so. I may say we were definitely taken back when we read it. We could not understand why he had stated that they did not actually have any responsibility.

MR. FANE: That will be a photostat copy?

MR. MCINTOSH: It says here that it is the general responsibility of dominion, provincial and municipal. Are you suggesting now that they be taken out of the Department of National Health and Welfare and put into the Department of Veterans Affairs—because that is the way it is handled until now in each department.

MR. HOOPER: I can answer in this way—only in lieu of the first paragraph, if that be the case. We would ask that that paragraph you refer to would apply, to make it a joint responsibility, so that somebody would be responsible.

MR. MCINTOSH: They are responsible now, under all governments.

MR. HOOPER: As I said, it was felt that veterans should be under the care of the dominion government. We had always expected that. When we got this letter it took us back and we felt that if this does exist and that they are not the responsibility, let us ask them to make up a responsible body to do it.

MR. JONES: You are not suggesting, are you, that they should be the responsibility of the federal government—that it should go beyond the Pension Act and the War Veterans Allowance Act?

MR. HOOPER: No, we are not asking for any changes in the present veterans charter, only that a different form of domiciliary care be undertaken, shall we say, in the near future, and that a study be made, to have it here before your committee and have it discussed fully, and have reports submitted from across Canada. We feel now that there is a situation where

we seriously believe that in another five or seven years there may be a number of those patients now domiciled in Sunnybrook, that is, actually in Sunnybrook itself. Also looking at it from another point of view, we do not want to think of it, but in the event there was another war and an influx of casualties resulting from it, those old men would have to go somewhere. Therefore we are looking ahead and asking you to make provision for these men to be kept under one roof, whether there is joint responsibility or not. We still want the dominion government to be responsible for the actual care of them.

Mr. McINTOSH: In view of the fact that this letter has been received, and apparently it has been misinterpreted, if it were clarified to the way these things are, as they actually exist now, would you have this recommendation number seven in here?

Mr. HOOPER: Yes, I would have the bottom part of it. We still think they should have separate domiciliary care. The only thing we have noted that seems to be more natural is this. There are some in Divadale, there are some in two sections of Sunnybrook and also in what is known as E block which was originally intended as a staff residence. It is now being used for that. That is our primary concern, that far-reaching program into the future, so that in case there is another conflict there will be room for the returned veterans.

Mr. ROGERS: To set the record straight, we all know the Minister of Veterans Affairs, and I certainly hope that no one would want to interpret the letter in that way.

Dr. CRAWFORD: I do not know the exact words of the minister's letter, but I certainly know what he has referred to. He is referring to the responsibility of the department to provide accommodation for citizens of the country who are also veterans, who want a place to live. When speaking of domiciliary care, this is the interpretation which can be placed on it. Certainly, there is no doubt about our responsibility for the care of war veterans allowances recipients who are old and poor and sick. Thinking of hospital accommodation and of accommodation which comes under my particular control, there must be some physical disability associated with old age. It is an area in which I will appreciate guidance, but frankly I do not know just what I am supposed to do now or in the future with this increasing load of aging ill veterans who now occupy something like 50 per cent of our active treatment accommodation. Looking at it purely in an economical way, this is a crying shame. On the other hand, am I to spend the required money in order to build additional domiciliary accommodation and then fill up this active hospital accommodation? With what? There are not going to be enough veterans needing active treatment accommodation who will come to our hospitals. So the alternative is to bring non-veterans for active treatment into our hospitals. If we do this, I suggest the government has no place in the provision of medical care for non-veterans. If we have mixed hospitals, it may be that the care of the veteran would be worse than it is now.

Mr. HOOPER: Was it not that same situation which existed at Edmonton I believe after and during the war, where you did have mixed. I believe that was a matter of emergency.

Dr. CRAWFORD: No. We have a pavillion there and this is of course really what you are proposing in effect for Sunnybrook. In Edmonton we have a pavillion at the Civil hospital. We are paying for them at the Civil hospital, as we do at the moment in Ottawa and Kingston. If we were to turn Sunnybrook hospital over to the university of Toronto or the provincial government I think there would be one hell of a row.

Mr. HERRIDGE: You bet your life there would; that is an understatement.

Mr. JONES: I might say that we in Saskatchewan do buy treatment for veterans in both Regina and Saskatoon. It has worked out not too unsatisfactorily.

Dr. CRAWFORD: It works out very well; but I think there would be a great storm of protests if we suggested changing the existing veterans hospitals. It might not be unwise from a purely administrative and economical point of view, but I think it would be unpopular.

Mr. HOOPER: Please note we put down separate domiciliary care. We do not want it to be interpreted to mean that we wanted to make Sunnybrook into a civilian hospital.

Mr. McINTOSH: Do you have something in mind like a senior citizens home or a home for the chronically ill?

Mr. HOOPER: We have lots of those patients now and they are in three separate places. I do not care where they are so long as they are all together and close to ground level so that they can get in and out. We have visited these men and some of them are never off the second and third floor from one year to another.

Mr. McINTOSH: The point you are making is that it should come under the Department of Veterans Affairs instead of some other institution.

Mr. HOOPER: Yes. We are not suggesting any such thing as was brought out. We are thinking only of the aging veteran. I agree with the doctor that it has to do with pensioners and not one qualified to receive war veterans allowance under the act. We could not possibly open it up. I agree it would be a chaos.

The CHAIRMAN: Thank you very much, gentlemen. I would also like to thank the members of the committee who made it possible to wind this up.

HOUSE OF COMMONS
Fourth Session—Twenty-fourth Parliament
1960-61



STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13

MAY 23, 1961

ESTIMATES OF THE DEPARTMENT OF VETERANS AFFAIRS
and
BILL C-88, AN ACT TO AMEND THE ARMY BENEVOLENT
FUND ACT, INCLUDING FOURTH AND FIFTH REPORTS.

WITNESSES:

Mr. H. C. Chadderton, National Secretary, Army Benevolent Fund;
Mr. H. R. Stewart, Dominion Honorary Treasurer, Canadian Legion.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	*Howe	Parizeau
Batten	Jones	Peters
Beech	Kennedy	Roberge
Benidickson	LaMarsh, Miss	Rogers
Broome	Lennard	Smith (<i>Lincoln</i>)
Cardin	MacEwan	Speakman
Carter	MacRae	Stearns
Clancy	Matthews	Stewart
Denis	McFarlane	Thomas
Fane	McIntosh	Webster
Forgie	McWilliam	Weichel
Fortin	O'Leary	Winkler.
Herridge	Ormiston	

R. L. Boivin,
Clerk of the Committee.

*Replaced by Mr. Robinson on May 22.

ORDERS OF REFERENCE

TUESDAY, May 2, 1961.

Ordered,—That Bill C-88, an Act to amend the Army Benevolent Fund Act, be referred to the Standing Committee on Veterans Affairs.

MONDAY, May 22, 1961.

Ordered,—That the name of Mr. Robinson be substituted for that of Mr. Howe on the Standing Committee on Veterans Affairs.

WEDNESDAY, May 24, 1961.

Ordered,—That the quorum of the Standing Committee on Veterans Affairs be reduced from 15 to 10 Members, and that Standing Order 65(1)(n) be suspended in relation thereto.

Attest.

LÉON-J. RAYMOND,
Clerk of the House.

REPORTS TO THE HOUSE

WEDNESDAY, May 24, 1961.

The Standing Committee on Veterans Affairs has the honour to present its

FOURTH REPORT

Your Committee recommends that its quorum be reduced from 15 to 10 members and that Standing Order 65(1)(n) be suspended in relation thereto.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman.

(The said report was concurred in by the House on this day.)

FIFTH REPORT

Your Committee has considered Bill C-88, An Act to amend the Army Benevolent Fund Act, and has agreed to report it without amendment.

During the course of its deliberations, your Committee directed the Chairman to submit the following recommendation to the House:

On Clause 1 of the Bill, your Committee recommends that the Government give consideration to the representations of the Canadian Legion with respect to Clause 1 of the Bill.

A copy of the Minutes of Proceedings and Evidence is appended.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, May 23, 1961.

(18)

The Standing Committee on Veterans Affairs met this day at 9.35 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Batten, Beech, Fane, Forgie, Herridge, Jones, Lennard, Matthews, McFarlane, Montgomery, Peters, Robinson, Rogers, Smith (*Lincoln*), Speakman, Stearns, Thomas, Weichel, Winkler—(20).

In attendance: Mr. H. F. Jones, M.P., Parliamentary Secretary to the Minister of Veterans Affairs; Mr. H. C. Chadderton, National Secretary Army Benevolent Fund; Mr. H. R. Stewart, Dominion Honorary Treasurer, Canadian Legion.

The Chairman opened the meeting and called Item 466—Grant to Army Benevolent Fund and Clause 1 of Bill C-88, An Act to amend the Army Benevolent Fund Act.

The Chairman then asked Mr. Jones, M.P., Parliamentary Secretary to the Minister of Veterans Affairs, to explain the purpose of the Bill.

Mr. Jones explained briefly the purpose of the Bill, and the Chairman then introduced Mr. Chadderton. The witness explained that he was representing Brigadier J. G. Gauvreau, who was unavoidably absent.

Mr. Chadderton made a short statement outlining the organization and operation of the Army Benevolent Fund, and was examined. The witness was retired.

The Chairman then invited Mr. Stewart to present the brief submitted by the Canadian Legion. The witness read the brief and was retired.

On Clause 1.

On motion of Mr. Herridge, seconded by Mr. Lennard,

Resolved,—That the Committee recommend that the Government give consideration to the representations of the Canadian Legion with respect to Clause 1 of Bill C-88. Following debate, the said resolution was resolved in the affirmative: Yeas, 9; Nays, 5.

Clause 1 was adopted.

Clause 2, Clause 3, the Preamble, the Title and the Bill were severally called and adopted.

The Committee instructed the Chairman to report the Bill without amendment and to present its recommendation to the House.

Item 466 of the Estimates was adopted.

At 11.00 o'clock a.m., the Committee adjourned until 9.30 o'clock a.m., Thursday, May 25.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

TUESDAY, May 23, 1961.

The CHAIRMAN: Gentlemen, you will please come to order. We have a quorum. I am calling item 466.

Item 466, grant to Army Benevolent Fund \$18,000

The CHAIRMAN: The first order of business is bill C-88, an act to amend the Army Benevolent Fund Act. The minister could not be present this morning, but we have Mr. Jones, parliamentary secretary to the minister. I now call on Mr. Jones, who wishes to make a statement.

Mr. H. F. JONES (*Parliamentary Secretary to the Minister of Veterans Affairs*): Thank you, Mr. Chairman. The amendment to the act is a straightforward operation to increase the interest rate by one-half per cent on each of the two categories mentioned in the bill. This increase brings it in line with the general type of interest paid by the government to funds of a similar character. I think that is all that needs to be said about the interest factor.

During the debate in the house it was mentioned by one or two members—I think it was Mr. Carter—about the inclusion of Newfoundland veterans. As I mentioned myself in the house, the fund that comprises the army benevolent fund is not a fund from government sources. It is a fund which is derived as a result of profit from the soldiers of the Canadian army in the Second World War, and from such funds as army units or auxiliary services, or Bronco, or Naafi, and from certain miscellaneous sources. Therefore the Canadian air force cannot use this fund. The Canadian navy cannot use this fund, and World War I veterans cannot use this fund. Nobody can use this fund except those who contributed to it, namely the Canadian army.

I presume that the forces from Newfoundland in the imperial forces had some sort of arrangement with the British army for the return to them at that time of any profits which were made from the canteens of the Newfoundland forces. I say that just to clear it up, in case there is any doubt about it. This is not our money—in other words, it is not ours to give away, or to say who should be included in it. This is the Canadian army soldiers' canteen fund.

The CHAIRMAN: I now call upon Mr. H. C. Chadderton, the national secretary of the army benevolent fund.

Mr. H. C. CHADDERTON (*National Secretary of the Army Benevolent Fund*): Mr. Chairman and gentlemen, I appreciate the opportunity to come before the committee today and provide any information which you may require concerning the army benevolent fund. I shall attempt to represent Brigadier Guy Gauvreau of Montreal, who is chairman of our board, and who, unfortunately, is in Cincinnati today, to attend the meeting of the American Transportation Association. His full-time job is that of chairman of the Montreal Transportation Commission. It has been impossible for him to be here today.

One of our major problems, we feel, is that of communication. We publish the usual type of annual report every year; but where possible, if we can get together with the people who are interested, and speak to them about the army benevolent fund, we feel it is a worthwhile function. Many people fail to realize that national welfare in Canada is a composite of what the governments do, supplemented by a lot of private agencies. Questions have been asked of me in parliamentary and government circles as to whether our fund

makes any contribution to the national economy. I think the answer is simply that the army benevolent fund is one of many organizations which go to make up the total national welfare picture; and if there is any part of that picture incomplete, it will have to mean that the national economy would suffer.

The specific role of the army benevolent fund is perhaps not an easy one to explain. We like to think of it in terms of filling a gap. When a veteran is in trouble, legislation can come to his aid in certain ways. But when his problem is something over and above what can be done through legislation, that is where the Army Benevolent Fund steps into the gap—because we really do not have any legislative bounds to what we can do.

I think it may be of interest to make two observations. First of all, the job of the army benevolent fund is vastly different from what was done after World War I through the canteen funds. I think that by and large the canteen funds found themselves making handouts, whereas today the average man who comes to the army benevolent fund is not a welfare prospect in any sense of the word. He is a man with a steady income, but one which is insufficient to meet some temporary but serious problem. We attempt to come up with a plan to assist, and in some cases we can step into the breach and put him back on the road where he can handle his own finances.

The second observation in which the committee might be interested is that our role has changed very drastically in the past three or four years. At the start we were spending 70 per cent of our money for medical cases, but because of medical and hospital insurance today, this is no longer necessary. There has been a compensating increase in what we call the serious debt cases. This is undeniably the product of the way we live today; that is the buy-now-and-pay-later economy. When a veteran gets into difficulty because he is unable to cope with these complicated household management problems, and such things as budgeting, sales resistance, the calculation of interest rates, and that sort of thing, we feel, in the army benevolent fund, that this is a very fertile field in which to work. I know one thing: that a man in financial difficulty today is faced with a real problem of seizures, garnishments, judgments, and that type of thing. When a veteran has become financially embarrassed because he is unable to cope with this buy-now-and-pay-later paradise, as they call it, we like to step into the breach, and if he is a well-meaning veteran and well-intentioned, we feel this is a good way to spend your money. We may counsel him and come up with a plan of assistance, and make a grant to get him out of his financial difficulty.

Many people do not realize, I am sure, the amount of money that has been spent in the 13 years of operation to date. We started with \$9,200,000. Today we have left \$6,500,000. So we have spent in cold cash from the fund, we have depleted the fund, in other words, in the amount of \$2,700,000. In addition, we have had revenue through interest of \$3,500,000. So the total amount now spent is \$6,200,000. We operate this fund on an actuarial plan, which envisaged 30 years of full operation from 1947. The act states that we must remain in business for 50 years. The actuarial plan provides for a full period of operation of 30 years with a small residue to take care of the remaining 20 years. This, Mr. Chairman and gentlemen, offers a very serious problem for the army benevolent fund. I have already noted that we have left today only \$6,500,000, but in accordance with this actuarial plan, we should have \$7,000,000. So we have had to over-spend to the tune of \$500,000.

We had a new actuarial plan drafted at the end of the last fiscal year. The figures which the Department of Insurance gave us were such that we would have to reduce our expenditure for welfare grants and administration to \$450,000 a year. Even with the proposed increase in interest, in the bill before the parliamentary committee today, we can increase our expenditure

to only \$470,000 a year, even if we should get this increase in interest. The actual expenditures have averaged over the past 10 years \$530,000 a year. We are facing a very serious problem, and our board sees one of two alternatives; either they must cut down on the amount that we spend each year and leave deserving cases out in the cold, or secondly, we must reduce the remaining 17 years of operation of the fund. Our board would not wish to do either of these things, because we have operated from the start on the principle that the veteran who is in trouble today is just as much entitled to assistance as the veteran who was in trouble at the start of the fund. And by the same token, if a veteran is in trouble 17 years from now, he should still have the availability of the army benevolent fund.

Now, I would like to say a word or two about our board and committees. People like Brigadier Gauvreau serve on this board, and on these committees, in a voluntary capacity. They meet week in and week out to decide on welfare cases. In addition, they do a great deal of work themselves on these cases. The fact is that right from the start we have never had a member relinquish his position on the board or from a committee due to reasons other than those of ill health, and some moving away. This seems to indicate that the work we are doing must be worthwhile, otherwise they would not bother to remain with the fund.

The question of how the army benevolent fund works is of tremendous interest. It is not only a question of making grants, but there are two other things which we do in our fund which I think are of interest. We obtain assistance from other sources. We operate on the principle that the veteran is a citizen and is entitled to the same extent of assistance from other agencies, as is any other citizen. Therefore, if he has a problem, our first approach is to co-operate with any other agency that can do something for him, and obtain assistance from other agencies. We keep a very careful record of these figures. Last year on our veterans work we obtained \$138,000. This was assistance we obtained from other sources on behalf of veterans.

The second thing we do is called debt adjustment. When a veteran comes to us and says that he is indebted to the extent of \$3,000, we try to work out a plan. We will call for the co-operation of the creditors, and I might say that we get it. We pay the accounts at so many cents on the dollar. Again from our records, this was worth last year \$360,000. Therefore the total assistance from this fund last year was nearly \$1 million—\$932,000, to be exact. That is, there were grants of \$424,000; there was assistance from other sources of \$138,000, and reductions of \$360,000.

That, Mr. Chairman and gentlemen, as briefly as I know how to do it, is an attempt to give you a short, sharp picture of what we are doing. I would like to sum up with two points: we have no rigid policy. Our policy has changed drastically from the start, and in keeping with changing times. The economics of family life are not the same in 1961 as they were in 1948. Consequently we have changed our policy as we have gone along, trying to improve it.

My board, and particularly Brigadier Gauvreau, asked me to include a point here; that is, if any members of the committee have any suggestions or ideas which they feel would be of assistance to us in improving the policy of the fund, then you may be sure that they would be most welcome. The second point of course is that the reason for my appearance here today is to provide information and to answer any questions which you would like to ask concerning the past, present, or future operations of the army benevolent fund. I shall certainly do my best to answer them. I thank you very much.

The CHAIRMAN: Thank you very much, Mr. Chadderton. Mr. Rogers has a question.

Mr. ROGERS: Mr. Chairman, I think Mr. Chadderton has certainly covered the ground pretty well. I was wondering what the average amount of assistance is.

Mr. CHADDERTON: The average grant is roughly \$260; and the average total assistance would be something like \$375 per case.

Mr. WEICHEL: How many of these men on the provincial and special committee are being paid? Are any of them being paid?

Mr. CHADDERTON: No sir.

Mr. WEICHEL: I think that is wonderful. I appreciate it very much.

Mr. CHADDERTON: No. These people give their time and effort voluntarily, and they usually attend at committee level one night a week.

Mr. WEICHEL: I think that is wonderful.

Mr. FORGIE: I would like to know if Mr. Chadderton would tell us what these other agencies consist of.

Mr. CHADDERTON: Some of the agencies would be well known. They would be agencies such as the Canadian cancer society and the multiple sclerosis society. One of the others, which is not so well known, would be the Tegler trust fund. This is a trust fund which is not generally known to the public, but an organization such as ours would know of it. We go to the trust funds, put up a case, and they are willing to contribute some money.

Mr. FORGIE: I would think they should receive recognition.

Mr. CHADDERTON: Most of them really do not want too much publicity. They can just about afford to meet the requests which come from welfare agencies such as ours.

Mr. FANE: Mr. Chadderton remarked that these people who get assistance are not people who are down and out; they are people who find a little difficulty in meeting their commitments. Are they expected to pay back their loans? Do they do this, or is it a straight buckshee grant?

Mr. CHADDERTON: Monies awarded from the army benevolent fund always are awarded as an outright grant. If a man had a surplus income of \$20 a month, we would set up a plan whereby he could use that \$20 to pay certain of his creditors and we would make a grant for the portion which he could not handle from his income. We are not in the lending business. Where there is a question of a need for consolidation of his debts, I would not want the committee to think we just pay part of his debts and leave him out in the cold. If he has to make arrangements with his creditors we do it for him.

Mr. FANE: He handles the money; you do not pay these people to whom he owes money.

Mr. CHADDERTON: The debts which we are paying, of course, are paid through our organization direct to the creditor; but if he has three creditors left, we would make arrangements for him to pay off those creditors on what we call an orderly repayment plan.

Mr. FANE: I see that Mr. Forgie has the annual report of the army benevolent fund. Is that report available to all the members of the committee?

Mr. FORGIE: It is in the library.

Mr. CHADDERTON: It is distributed each year to the members of the parliamentary committee.

Mr. FANE: I do not recollect having received one.

Mr. BATTEN: I should probably know the answer to this question, but I do not. How was the original \$9,200,000 built up?

Mr. CHADDERTON: Around \$3 million of it came from regimental funds of army units; \$2,700,000 came from auxiliary services, such as the Canadian Legion and the Salvation Army; a little over \$1 million came from an organization called Bronco which is the organization which handled bulk purchasing for the auxiliary services. At the end of the war they had an earned surplus on hand in the amount of something like \$1,200,000 which was turned over to our organization. Then, from the British N.A.A.F.I. we had \$1,300,000, and roughly \$875,000 from miscellaneous things like the army show or kitchen by-products.

Mr. HERRIDGE: You mentioned the British N.A.A.F.I. What exactly is that?

Mr. CHADDERTON: The navy, army and airforce institutes operated for the British services during World War II. It was an organization which operated canteens for the British forces.

Mr. HERRIDGE: And this was on account of certain patronage by Canadian troops?

Mr. CHADDERTON: Yes. At my own unit which was stationed in the south of England the N.A.A.F.I. came in and ran our canteen.

Mr. HERRIDGE: Does that not provide a legal basis for payment of this fund to Newfoundland troops, because they were in the British forces.

Mr. CHADDERTON: I think I can provide the answer if you wish. The monies which went into the N.A.A.F.I. on behalf of Newfoundland persons serving in the British army were paid back to the Commission government prior to 1947. There was not very much of it, but it was paid back to them.

Mr. HERRIDGE: Have you any idea what the amount was?

Mr. CHADDERTON: This is just a guess, but I would say around \$10,000. I know it was not very much.

Mr. HERRIDGE: Roughly what is the average grant?

Mr. CHADDERTON: \$260 per case.

Mr. HERRIDGE: In the average?

Mr. CHADDERTON: Yes.

Mr. HERRIDGE: Have you ever had offers to repay?

Mr. CHADDERTON: We have, and quite often we discourage it.

Mr. HERRIDGE: That is unusual.

Mr. CHADDERTON: Yes; I know it would sound that way. There is, however, a certain type of person who gets help from an organization like this. Perhaps two years later they think they are in a position to repay and they feel obligated. We always investigate those cases. Quite often we find that, notwithstanding their intention, they really are not in a financial position to make a repayment. In consequence, we write them thanking them for the offer and suggest that they consider very seriously whether or not they might be depriving their families? The intention of the fund is not to make loans. However, if after this they still think they want to repay, and our investigation finds they are able to, they do. Our repayments average about \$800 or \$900 a year.

Mr. HERRIDGE: Have you any idea, in the history of the fund, what the total is to date? If people are willing to repay, you might accept the money and use it to help the Newfoundland veterans.

Mr. CHADDERTON: It would not be even \$20,000; it might be about \$5,000.

Mr. WEICHEL: I suppose these grants would vary a great deal from year to year?

Mr. CHADDERTON: Do you mean the amount granted?

Mr. WEICHEL: The number of persons.

Mr. CHADDERTON: It works out to about thirty-five hundred grants per year.

Mr. WEICHEL: Do you feel that as time goes on these probably will increase as the second World War veterans get older?

Mr. CHADDERTON: I feel that from the very start the board has proven to be very accurate. Our feeling is that the incidence of the type of distress with which we could deal would be about the same every year; this is, bearing in mind we cannot pay direct relief or that type of thing. Actually in the early years we were spending money on medical cases. That phase now is passed, but we have had a corresponding increase in connection with these serious debt cases. The average world war veteran today is in his early forties, probably has something like three or four children and has very serious heavy financial commitments. If some kind of welfare problem crops up at the same time, then he certainly is in a situation where he needs assistance. Therefore the emphasis has changed to serious debt cases; but the number of cases we have has remained relatively the same. Looking toward the future, as the World War II veteran gets a little older and enters the group where employment is harder to find, and his children are reaching university age, we do not see any lessening in the need for a fund of this type, and our planning is based on the fact that there will be a fairly constant requirement for 30 years, from 1947. We have not seen anything yet which would make us change that plan.

Mr. WEICHEL: Could most of these grants be made through correspondence, or would there have to be a personal interview or contact?

Mr. CHADDERTON: No. We use agencies, the chief of which is the welfare service of D.V.A., who take the application. That is supplemented by the Canadian Legion and other veteran organizations, or by family service agencies, children's aid societies and that type of thing. They will take the application and forward it to our committee where we have a paid secretary who screens and secures any additional information required, and works out a plan with any other agencies that can be brought in to obtain assistance. Then he contacts the creditors who will be paid so many cents on the dollar, and it is then the case is brought up to the committee.

Mr. WEICHEL: He could apply to his closest legion office, could he not?

Mr. CHADDERTON: That is exactly what would happen. I feel certain that every veterans organization, every municipal clerk, every family service bureau in Canada knows where the veterans benevolent fund is, and if there is a problem it will be referred to us. And the same thing might be said for the medical agencies too.

Mr. HERRIDGE: What number would there be of male veterans which you assist as compared to female veterans?

Mr. CHADDERTON: Oh, I would think that 95 per cent would be male veterans. But bear in mind that we can also accept an application from a dependant. We get a great number of applications submitted on behalf of a male veteran from a wife or a widow, or in some instances, from a child.

Mr. FORGIE: Mr. Chadderton, regarding the rate of disbursement: you said that the schedule of disbursement, prepared by the insurance department of the government of Canada following the increase in interest rates provided in the amendment to the Army Benevolent Fund Act, of 1952, permitted an annual expenditure for grants and administration costs of \$473,115.

Mr. CHADDERTON: Yes.

Mr. FORGIE: And you said that this calculation was based on a capital amount as of the first of April, 1952, of \$9 million for a 28-year expenditure, leaving a balance in the 29th year of \$800,000.

Mr. CHADDERTON: Yes.

Mr. FORGIE: And as of March 31, 1960, the proposed residue per the actual schedule referred to above, was \$7,257,466. The actual net worth at the 31st of March, 1960 was \$6,863,020, which indicated an over-expenditure of \$394,446 due to a heavy demand for assistance.

Mr. CHADDERTON: Yes.

Mr. FORGIE: It was also estimated that the balance in the fund as of the 31st of March, 1961, will be \$6,500,000. Now, assuming that the government approved an interest rate of four per cent on the first \$5 million, and three per cent on the balance, the amount which the fund would be able to expend over the remaining 18 years of the proposed operation, would be \$471,000. Is that so?

Mr. CHADDERTON: Yes.

Mr. FORGIE: The proposed operation would be \$471,000, and it will be noted that this represents the decrease of approximately \$2,000 a year, despite the proposed increase in the interest rate.

Mr. CHADDERTON: Yes.

Mr. FORGIE: Is that the picture?

Mr. CHADDERTON: Yes.

Mr. FORGIE: In other words, their expenditure would be reduced by \$2,000 a year?

Mr. CHADDERTON: That is correct, sir.

Mr. FORGIE: Let me ask you another question: do you feel that a higher rate of interest could be obtained if this fund were placed in the hands of a committee of the army benevolent fund, and that they should be allowed to invest this fund as they saw fit? You recall that it is not government money. You have already stated it. This money belongs to the veterans. Would it not be advisable to transfer it to that committee from the government, or the receiver general, or the consolidated revenue fund, or whoever does the investing of the army benevolent fund?

Mr. CHADDERTON: Well, Mr. Chairman, I want to correct one figure. Mr. Forgie's figures are exactly correct except that we have 17 years left, not 18. The question of investing this fund privately has been under consideration with our board from the commencement of the fund. We have had advice from independent investment counselors who are connected with our fund, and they have told us at various times that we could certainly expect a higher yield than we are receiving under the act. The last such investment advice we had was in September of 1960 at which time we were told we could expect, through private investment—bearing in mind the outcome from the fund, something in excess of $4\frac{1}{2}$ per cent.

Mr. FORGIE: Would that solve the problem?

Mr. CHADDERTON: Well, I would not say that outright. I would simply say that so long as the act reads as it does, we are required to leave the money with the receiver general. Therefore, our board has not carried its deliberations beyond that pure conjecture. They are bound to say to themselves that if we could do this privately, we could get a higher interest rate. But whether or not our board is seriously interested in investing the money privately, I would not know.

Mr. BATTEN: Your plan or schedule was set up in 1947.

Mr. CHADDERTON: It was set up originally in 1948, sir.

Mr. BATTEN: In the years of the early operations of your plan, you were able to follow the schedule?

Mr. CHADDERTON: Yes, in the earlier years we underspent. But about six years ago we started to overspend. In 1951-52 we were very much below the \$473,000 which we should have been spending. But in the next three years we overspent. Then, again in 1955-56, we underspent. The following year we were just a little over \$487,000; while in the last three years we have overspent again. So I think we can take the average of the past ten years, since we have been in full operation, as being a good indication of the need that we are attempting to meet, and this is around \$530,000 a year; whereas, as the fund now stands, we can only spend \$450,000 a year.

Mr. BATTEN: When you say you underspent in 1955, you mean that you underspent for that single year?

Mr. CHADDERTON: That is correct.

Mr. BATTEN: And you did not bring the schedule up to date?

Mr. CHADDERTON: No, we have not revised the schedule. The only time we could revise the schedule is if we should have a revision in the interest rate.

Mr. BATTEN: No, I did not mean that. I mean in the year you underspent, 1953, you did not save enough to catch up with your schedule for that year.

Mr. CHADDERTON: No. I think the answer to your question is in the averages, and the average has been \$530,000 despite the two years that we have underspent, and the eight years when we have overspent. The indication is that the requirement is \$530,000 a year.

Mr. WEICHEL: Would you have any requests, let us say, from war veterans allowance recipients, pensioners, and Veterans Land Act people, or does the Department of Veterans Affairs pretty well take care of those veterans?

Mr. CHADDERTON: From war veterans recipients, the answer is yes; the interpretation of our board is that the war veterans allowance is intended to meet immediate requirements. For example, if the recipient runs into some unexpected burden, such as the education of a child, or a physical accident, or something of that type, we would certainly attempt to assist him. For Veterans Land Act cases, we treat them exactly the same as any other employed person living in any other type of accommodation. The Department of Veterans Affairs submit cases on behalf of the V.L.A.

Mr. WEICHEL: Would you have received quite a few requests from pensioners under 30 per cent?

Mr. CHADDERTON: Yes. If a man has a serious disability pension, and he is unable to engage in full-time employment, then we would take his pension—he may be getting, let us say, \$180 a month, plus an amount which could be as much as from \$30 to \$40 a month—and we would say: here is a man who is a potential army benevolent fund applicant; if he should run into a serious medical trouble, or a physical accident, or something of that type, or where his income is insufficient, we would say he does not have enough surplus to handle the problem with which he is faced, and we would make a grant.

Mr. WEICHEL: In other words, it is true for any type of veteran?

Mr. CHADDERTON: Yes, that is right.

Mr. FORGIE: The amount, as I understand it, as of the 31st of March, 1961, in this fund is \$6,500,000.

Mr. CHADDERTON: That is correct.

Mr. FORGIE: But if this fund were placed at a half per cent higher, that would give you \$30,000 and it would enable you to carry on as you have been carrying on in the past.

Mr. CHADDERTON: Yes. The amount at the end of the 31st of March, 1961, was approximately \$6,500,000. The increase in interest as proposed in the bill would provide something like \$30,000 in the next year. But that amount would decrease as the amount in the fund decreased. So the best way we can look at it is to take an actuarial plan, and to work it out with the new interest rate which would allow us to spend \$470,000 a year for the grants and administration. But as I said earlier, the average amount that we needed over the past 10 years has been \$530,000, which is \$60,000 more.

Mr. HERRIDGE: The interest rate proposed in the bill still leaves you approximately with a shortage of \$60,000 a year with which to meet your commitments.

Mr. CHADDERTON: That is correct.

Mr. HERRIDGE: Yes, that is the point.

Mr. BATTEN: Mr. Chairman, when a case comes to your notice, you arrange a financial plan, or a budget plan—and I do not like to use that word—or whatever you are able to do concerning the individual case. Who makes up the plan which you present to the veterans?

Mr. CHADDERTON: This plan is made up by our paid secretary. We have one paid man in each province who is called a provincial secretary. He works out this plan in conjunction with the people who did the investigation; and in conjunction with other agencies and the creditors, and he then presents it to the committee for adjudication. Now, at that stage, the committee—because they are all business men, prominent business men and professional men—they may come up with an improvement on our plan, of course; and they may make some changes in it. It may be submitted to such and such a service club. Such a club may put in \$300 on behalf of the case. Or some other agency may contribute to the case. The committee may make a change. It then goes to our secretary who will put the final plan up to the creditors and will advise the veteran and the agency which did the investigation.

Mr. HERRIDGE: Do you have many repeaters, that is, problem cases?

Mr. CHADDERTON: The best figure we can give on that is approximately 10 per cent, which would be considered in welfare circles to be low. The reason is that we operate on the plan that when we make a grant, it must be based on the assurance of a permanent solution to the problem. So for that reason we do not get as many repeaters as one might expect.

Mr. HERRIDGE: That is much lower than the provincial welfare figures.

Mr. CHADDERTON: I would think so; but bear in mind that I am speaking here on behalf of our clients in the army benevolent fund. We are dealing with what we feel is a different type of man. He is not the normal welfare prospect. He is usually a man who gets enough income with which to get by, but he has suffered some temporary dislocation of his financial situation.

The CHAIRMAN: I think we have covered the field pretty well. Are there any more questions? If not, we have with us the Canadian Legion who wish to present a brief, and to be questioned. Is it agreed?

Agreed.

Do you have anything more to add, Mr. Chadderton?

Mr. CHADDERTON: No, sir, other than to express our thanks.

The CHAIRMAN: Thank you, Mr. Chadderton. I now call on Mr. H. R. Stewart, dominion honorary treasurer of the Canadian Legion.

Mr. H. R. STEWART (*Dominion Honorary Treasurer of the Canadian Legion*): Thank you, Mr. Chairman, Miss LaMarsh and gentlemen. May I at the outset introduce to you Mr. Murray MacFarland, and Mr. Don Knight.

Mr. MacFarland is the head of the dominion command service bureau, and Mr. Knight is one of the service bureau officers. In addition, we have with us Mr. Norman Shannon, the dominion command public relations officer.

It has not been possible for the dominion president of the Canadian Legion to be here today to present this brief, since he is committed elsewhere, but he wishes the committee to be assured that the Legion is pleased with the progress being made by the government in reviewing those acts, forming what is commonly referred to as the veterans charter. To proceed with the presentation of our brief re Bill C-88.

The Canadian Legion is pleased to have this opportunity to appear before the House of Commons standing committee on veterans' affairs while you are considering bill C-88, an Act to amend the Army Benevolent Act.

In January we appeared before this committee when it was studying the amendments to the Pension Act, and we are hopeful that we will have still another opportunity of coming before you in respect of the War Veterans' Allowance Act, inasmuch as the Minister of Veterans Affairs has already introduced a resolution in the House of Commons indicating the government's intention to present amendments to this act in the very near future.

We note that bill C-88 proposes three amendments to the Army Benevolent Fund Act, but it is in respect of the first amendment only that we wish to direct our remarks to you at this time.

The Canadian Legion is mindful of the achievements which have been made possible through the establishment of this fund. We follow with interest the reports and activities of the board and find the officials most co-operative and willing to render all possible assistance in cases which are brought to their attention. The creation of the fund has been a great blessing to thousands of ex-army personnel or their dependents who have been able to obtain some assistance when they find themselves, not always because of their own doing, in financial difficulties. We believe that the suggestion which we have to offer will, if endorsed by this committee and accepted by the government, enable the fund to continue its work for a longer period than is presently anticipated.

The legislation which created the army benevolent fund was passed by parliament in 1947, at which time provision was made for the Receiver-General to credit the Fund with interest at the rate of $2\frac{1}{2}$ per cent per annum on the balance of the fund available. The act was amended in 1952 increasing the interest rates to $3\frac{1}{2}$ per cent on the first five million dollars with the rate remaining at $2\frac{1}{2}$ per cent for that amount of the fund in excess of five million dollars. The present bill proposes to increase these rates to 4 per cent and 3 per cent per annum respectively.

When the fund was originally established its expenditure was planned on an actuarial basis which would ensure its operation for fifty years. Reports now indicate, however, that at its present rate the fund will be practically depleted after only thirty years. This, then would permit assistance to World War II veterans while they are between thirty and sixty years of age, leaving a small amount available for the last twenty years of the original fifty-year period prescribed by the act. The fund was established to provide for an expenditure of \$473,000 per annum for the first thirty years of which there are seventeen years still remaining. The annual reports of the fund indicate that, in order to carry on its work, it has been necessary to expend an average annual amount of \$531,831. These reports indicate that the balance of the fund is now only \$6,500,000 instead of \$7,014,000 as provided for in the actuarial schedule.

The Canadian Legion is, therefore, concerned with this \$514,000 deficiency and its consequences to World War II veterans. The proposed new rates of 4 per cent and 3 per cent will not, we feel, enable the fund to overcome this deficiency and it would thus be necessary to curtail greatly the activities of

the fund to enable it to carry on for the remaining seventeen years of the thirty-year period of full operation. It would appear then that this will leave the fund with one of two alternatives:—

- (1) The period of full operation will have to be shortened, or
- (2) The annual expenditure will have to be reduced.

Since the establishment of the fund, Canada's economy appears to have flourished and the Canadian standard of living has improved considerably. With this has come an increase in the cost of living and a resultant increase in bank and bond interest rates. During all this time the government of Canada has had at its disposal the several millions of dollars of army benevolent fund money. In return for the use of this money the Receiver-General has credited the fund with interest well below the rate on securities and bank loans, so that in fact this money, which belongs to the exservicemen, has to some extent been subsidizing government borrowings.

The Canadian Legion certainly welcomes this amendment to the legislation which we feel is an acknowledgment by the government that it has been free to make use of this money at a very favourable rate of interest. It is our understanding that the interest rate being paid by the federal government on long term investments, as represented by the 1960 issue of Canada savings bonds is 4.85 per cent on a ten year yield.

The Canadian Legion, therefore, believes the government must accept that the minimum rate at which money can be obtained in the open market is somewhere between $4\frac{1}{2}$ per cent and 5 per cent and that this should be acknowledged by establishing a rate such as $4\frac{3}{4}$ per cent as the minimum to be paid by the Receiver-General to the army benevolent fund in respect of the balance which is available to the government at all times. We believe that by increasing the rate to $4\frac{3}{4}$ per cent per annum it would mean that the fund would have available more adequate means with which to meet the original intent of this legislation.

The Canadian Legion therefore recommends

That paragraph 1 of bill C-88 be amended by striking out sub-paragraphs (a) and (b) and rewording the proposed amendment as follows:

- (7) The Receiver-General shall credit to the fund semi-annually interest on the minimum balance to the credit of the fund each month, at the rate of four and three quarters per cent per annum.

All of which is respectfully presented.

The CHAIRMAN: Thank you very much, Mr. Stewart. Are there any questions on the brief?

Mr. HERRIDGE: Mr. Chairman, I want to compliment the Legion on this very sound brief. Any of us who have had anything to do with bond issues, securities and investments, will realize that this is a very sound proposal, and I am of the opinion that all members of the committee should do what they can to get the amendment suggested by the Legion implemented.

When speaking in the house I mentioned a figure of approximately 5 per cent. I had these circumstances in mind, and I think this is a very responsible and sound approach.

Mr. BATTEN: I should like to support the contents of the brief and I believe the recommendation made in it is a very sound one. However, there is one question I should like to ask. What was the reason in 1952 for breaking the fund up into two parts, with $3\frac{1}{2}$ per cent paid on \$35 million and $2\frac{1}{2}$ per cent on the remainder? Does anyone know the thinking which was behind that?

The CHAIRMAN: Would you know, Mr. Chadderton?

Mr. CHADDERTON: I believe so. The history of the interest rate on the army benevolent fund goes back prior to the inception of the fund. Monies were being gathered in what were known as army unit trust funds and the parliamentary committee decided at that time to pay $2\frac{1}{2}$ per cent interest, which was a good interest rate in 1943. In 1947, when parliament passed the Army Benevolent Fund Act, it was recommended that rate of interest should continue; but around about 1951 it became apparent that interest rates were growing, and that $2\frac{1}{2}$ per cent was not a reasonable rate, particularly for that portion of the fund which might be considered as long-term. Therefore, it was decided that \$5 million of the fund could be considered as long-term, considerably longer than 10 years, and it was agreed to pay $3\frac{1}{2}$ per cent on that and $2\frac{1}{2}$ per cent on the remainder, on the balance of the fund which would be available for a period of less than 10 years.

Mr. HERRIDGE: Have there been any consultations between the representatives of the fund and the treasury with respect to interest rates throughout the years?

Mr. CHADDERTON: No, Mr. Chairman. I should explain the feeling of our board is that we are operating under the jurisdiction of an act of parliament, which states the monies should remain in the consolidated revenue fund. Therefore our board considers and has felt that whatever interest rates the government decides should be paid has to be considered as part of the legislative responsibility of the fund. Therefore our board did not argue for a higher interest rate than that paid by the government itself. Certainly we felt it was not our duty to do that, though we could easily get investment advice and put up an argument for it. We felt we were just administering the fund, and that we were appointed by the crown to do so on the basis of the legislation as it stands.

Mr. HERRIDGE: I understand.

The CHAIRMAN: Are there any further questions? Then, thank you very much Mr. Stewart for the very fine brief you presented on behalf of the Legion. Thank you, Mr. Chadderton, for a very full explanation.

We shall now go on to discuss the clauses in the bill.

On clause 1—*Interest*.

Mr. HERRIDGE: I just want to congratulate the parliamentary secretary who is representing the minister. If this were Great Britain he would be known as a junior minister but, so far as these committees are concerned, it is very hard for the rest of us to keep up with the Joneses.

Mr. JONES: I am afraid you are away ahead of me.

Mr. HERRIDGE: I should like to move an amendment to the clause, substituting the figures contained in the Legion brief for the figures in the bill but, as a member of the opposition, I am not in the position to increase parliamentary expenditures, am I? Would you rule on that, sir, before I attempt it?

The CHAIRMAN: That is my own opinion, that the committee cannot make a motion to increase the expenditure.

Mr. HERRIDGE: We might suggest consideration. I shall move that we recommend to the government that the committee give consideration to the representations of the Canadian Legion with respect to clause 1 of the bill.

Mr. LENNARD: I second that.

The CHAIRMAN: Go slowly so that the Clerk can get it down.

Mr. HERRIDGE: I move that this committee recommend that the government give consideration to the representations of the Canadian Legion with respect to clause 1 of bill C-88.

Mr. FORGIE: Before we go into discussion on the motion I wish to state it is my firm opinion that the board of the army benevolent fund should advise the government on what amount of money it will take to carry out the plan as originally initiated. I may be wrong, but I do not think this recommendation of the Legion will enable the benevolent fund to carry out its program. For that reason I suggest this matter be deferred until the benevolent fund people have an opportunity of discussing it with the government, and compiling an estimate that will take care of the situation, such as we would desire it to be taken care of.

Mr. JONES: Mr. Chairman, if I may say a word on that point? We are dealing here with a fund, and the problem of the board managing the fund is to allocate it for the purposes of the fund in the best manner they can, having regard to the amount of money they have available.

I think, Mr. Forgie, you probably realize that at the end of the first world war there were a number of army funds established, in almost every province, drawn from sources similar to this, and those funds since that time with, I think, three exceptions, have been depleted. They have been spent on the purposes for which the funds were set up, at the rate that they could handle, having regard to the amount of money they had, and so any question as to putting the program before the money is really putting the cart before the horse in that regard.

For example, if this fund had been, say, \$2 million more, then you could have embarked on a more ambitious program at the start. Conversely, if it had been \$2 million less, then you would not have been able to carry out the program that has been implemented. The board are administering this fund on the basis of what they have, with interest paid at a rate which is comparable to that received by other service funds held by the government and, in considering the interest rate, I should like to point out that interest rates fluctuate considerably. For example, interest rates on borrowings in the last six months have decreased by something like $\frac{1}{2}$ per cent, and you can run into situations where the fluctuations will be even greater. Therefore, the interest rate which has been set here is one that is felt to be commensurate with the interest rates paid by the government on similar types of funds, and it is higher than on some. We should keep that principle in mind, which apparently was the principle that was kept in mind right from the start in setting the interest rates on this fund.

Mr. FORGIE: That is all very well, but this money does not belong to the government. This money belongs to veterans who served in world war II. It is a matter of simple arithmetic to arrange the investment of all these funds at a rate sufficient to take care of the requirements, and enable the army benevolent fund to carry out the plan that was laid down at its inception. In page 4 of the Legion brief it is stated:

In return for the use of this money the Receiver-General has credited the fund with interest well below the rate on securities and bank loans, so that in fact this money, which belongs to the ex-servicemen, has to some extent been subsidizing government borrowings.

That is the statement which I am supporting.

Mr. JONES: Mr. Forgie. I do not think that can be accepted without a great deal of qualification. Here are some examples of interest rates paid on various funds, which may be of interest to you: King George V cancer fund, 3 per cent; R.C.M.P. benevolent fund, 2½ per cent; death provision fund, 4 per cent; war claims fund, 2 per cent; pilots pension fund, 3 per cent; federation of Canada fund, 4 per cent; post office savings fund, 2½ per cent. The Department of Finance has gone over this matter pretty carefully, and they have made this recommendation, feeling that it is a fair and equitable interest rate, having regard to all these circumstances, the varying lengths in time of the investment, and rates paid on comparable funds.

Mr. FORGIE: I must say I cannot agree with the parliamentary secretary. I think this money was more or less expropriated. The world war II veterans are entitled to receive the highest return it is possible to secure. That is not the case today and it will not be the case, even under the amendment proposed by the legion.

Mr. JONES: It was not the case in 1947, when the fund was set up, and it was not the case in 1952 when the fund was changed. There are always certain types of investments that a person can make which will yield a higher rate of interest but, in making up an investment portfolio, I do not think you could get a safer one than by having your money with the government, as this fund has. That was one of the reasons why the money was placed with the government in the first place.

I should like to make it absolutely clear that the principle applied to setting the interest rate on this fund is exactly the same now as it was in 1952 and in 1947 when the fund was set up.

Mr. FORGIE: Because it was set up in that year does not mean that we cannot move forward now. In my opinion that remark is absolutely inept.

The CHAIRMAN: Do you wish the motion put now?

Mr. HERRIDGE: Yes.

The CHAIRMAN: It has been moved by Mr. Herridge that the committee recommend that the government give consideration to the representations of the Canadian Legion with respect to clause 1 of bill C-88. It is seconded by Mr. Lennard.

Mr. LENNARD: I did not whisper, either.

The CHAIRMAN: There has been a lot of discussion on this.

Mr. FORGIE: I should like to move an amendment, that the rate of interest on the balance in hand at the present time be 4½ per cent across the board, and not divided up as it is in this bill.

The CHAIRMAN: Let us get that in writing as you want it.

Mr. ROGERS: You mean that consideration be given?

Mr. FORGIE: Of course.

Mr. CHADBERTON: May I say something at this point? I feel obligated on behalf of the board to point out to the committee that we feel there is a vast difference between what we do and what the R.C.M.P. benefit fund does. I think I would have to take objection to being compared with that organization, which is really, as I understand it, a holding organization which holds certain funds for R.C.M.P. personnel. When we discussed this previously we noted certain funds, which I am sure are in the list from which Mr. Jones quoted, which had interest rates of 5 per cent and 6 per cent. We are not the same type of fund as the King George V cancer fund, and I feel that should be realized.

Mr. JONES: I may say that the comparative figures I gave are the same comparative figures that were used in 1952 and 1947.

Mr. CHADDERTON: Are there not some funds which are drawing more?

Mr. JONES: There are Indian funds where the rates have been set by contract and treaty, dating back to confederation.

Mr. CHADDERTON: At what rates?

Mr. JONES: Some go over 5 per cent, but they are Indian funds.

Mr. STEARNS: Mr. Chairman, I should like to know if Mr. Chadderton or any of the other witnesses could tell us what is the average rate of interest for the air force benevolent fund? I understand they invest their monies as they come in.

Mr. CHADDERTON: As I understand it, the air force benevolent fund have most of their securities in Canada savings bonds. Some would be early issues and some would be in recent issues. The recent issues would give a yield of 4.85 per cent, but the earlier issues would be as low as $2\frac{3}{4}$ per cent.

The CHAIRMAN: Mr. Batten, did you wish to ask a question?

Mr. BATTEN: I was going to say, Mr. Chairman, that I quite agree with some of the remarks made by the parliamentary secretary but, with regard to the money which is being put into the post office savings bank, and which receives a return of $2\frac{1}{2}$ per cent, the person putting in that money has a choice, but in this particular case the man has no choice.

Mr. JONES: I am merely giving you an account of the range of interest rates which the government is paying.

Mr. BATTEN: I recognize that.

Mr. JONES: I am not saying that the post office savings account is the same as this, but am merely dealing with the general range of interest rates. I could give you some more. For instance, there is the Canadian Forces Superannuation Act, which is 4 per cent; the Death Benefits Act, which is $4\frac{1}{2}$ per cent; Government Annuities Act, 4 per cent, $3\frac{1}{2}$ per cent and 3 per cent; members of parliament retiring allowance, at 4 per cent, and so on.

Mr. BATTEN: If I may make another comment, Mr. Chairman, I wish to state that I have no particularly serious objection to having this fund broken into two parts. My objection is to the way that is done. In the years which have gone by, I think the amount of money exceeding \$5 million upon which there was a smaller interest paid has been too great to receive the smaller interest. If this could be broken into two parts, what I would suggest is this: when the expenditure which the fund makes every year is about half a million dollars, then if we have two rates of percentage, the smaller rate of percentage be paid on, say, half a million dollars and the higher rate of interest be paid on all that is left. In the present situation we have four per cent paid on \$5 million and three per cent paid on \$1½ million. Here, according to my suggestion, we would have the four per cent paid on six, and three per cent paid on five, which would be the expenditure for one year. This could be considered as a current account.

Mr. JONES: But this bill does not come up annually.

Mr. BATTEN: I do not mean that. The rate would not be adjusted annually, but the amount on which it is going to be paid would be adjusted annually by reducing the total amount by half a million dollars each year. Under that plan you would get four per cent on \$6 million and three per cent on the one-half million dollars; next year four per cent on the \$5½ million and again three

per cent on \$1 million. I do favour the higher rate of interest being paid on the total amount of money, but if it has to be broken up I think it would be fairer to have the small percentage paid on the amount of money which would be the current account for that particular year.

Mr. ROGERS: I would like to ask the parliamentary secretary if there is any contribution to the administrative cost?

Mr. JONES: Yes. The government pays \$18,000 a year towards administrations costs. From 1955 and 1956 to 1958 and 1959 the administration grant was \$8,000 a year, and in 1959-1960 it was increased to \$18,000 a year. At the same time, because of the change in offices, there was a rent charged of \$3,000 a year. As you can see the net increase is something like \$7,000 a year.

Mr. WINKLER: Is there any similar grant, for instance, to the airforce benevolent fund for administration?

Mr. JONES: No.

Mr. WINKLER: So far as our deliberations are concerned, I think that could be considered. The point I was going to make is, I think we all agree on the merits of the function of this fund; it is a tremendous thing. I am wondering if the committee at any time has ever discussed the question of the long-term view of the plan, the possibility of maintaining the plan to its completion in future years, and whether thought has been given to the government's subsidizing the fund, if need be, to carry out the entire plan of the organization. So far as I am concerned the work is very worthy. I know that this fund has served a tremendous purpose, the interest rate is all right with me, but I think the government should grant them the money in order to continue.

The CHAIRMAN: Gentlemen, we have a motion before the committee. It has not been amended.

Mr. FORGIE: I move, by way of amendment, that it be recommended that this clause 1 be amended to read as follows:

The Receiver General shall credit to the fund semi-annually interest on the minimum balance to the credit of the fund in each month at the rate of four and three-quarter per cent per annum.

The CHAIRMAN: Mr. Forgie, that does not amend the original motion. I would rule that amendment out of order.

Mr. HERRIDGE: You are quite right, Mr. Chairman. The amendment is not an amendment to the original motion.

Mr. FORGIE: May I have the original motion?

The CHAIRMAN: Moved by Mr. Herridge that the committee recommend that the government give consideration to the representations of the Canadian Legion with regard to clause 1 of bill C-88. The motion is seconded by Mr. Lennard.

Mr. FORGIE: That is all right.

The CHAIRMAN: Are you ready for the question? All those in favour of the motion? Those contrary?

Motion agreed to on division.

The CHAIRMAN: Mr. Forgie, your motion really is in accordance with the recommendation of the Legion and I think it is covered in Mr. Herridge's motion.

Mr. FORGIE: I agree. I did not read it carefully enough.

The CHAIRMAN: Shall clause 1, with the recommendation of the committee attached, carry?

Clause 1 agreed to.

Clauses 2 and 3 agreed to?

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall the bill carry?

Carried.

The CHAIRMAN: Shall I report the bill with the recommendations attached?

Carried.

Item 466 agreed to and carried.

The CHAIRMAN: We will adjourn until Thursday morning at 9.30.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 14

MAY 25, 1961



ESTIMATES (1961-62) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

Mr. L. Lalonde, Deputy Minister of Veterans Affairs; Dr. J. N. Crawford, Director of Treatment Services; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Jones	Peters
Batten	Kennedy	Roberge
Beech	LaMarsh, Miss	Robinson
Benidickson	Lennard	Rogers
Broome	MacEwen	Smith (<i>Lincoln</i>)
Cardin	MacRae	Speakman
Carter	Matthews	Stearns
Clancy	McFarlane	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler.
Herridge	Parizeau	

R. L. Boivin,
Clerk of the Committee

MINUTES OF PROCEEDINGS

THURSDAY, May 25, 1961.
(19)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Batten, Carter, Fane, Herridge, Lennard, MacRae, Matthews, McFarlane, Robinson, Rogers, Smith (*Lincoln*), Speakman, Stearns, Stewart, Webster, Weichel, Winkler.—(17).

In attendance: From the Department of Veterans Affairs: Mr. L. Lalonde, Deputy Minister; Dr. J. N. Crawford, Chief of Treatment Services; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board.

The Chairman called the meeting to order and stated that Mr. T. D. Anderson had submitted, in answer to questions asked previously, a letter which the committee agreed to print as an Appendix to today's Evidence. (*See Appendix "A"*).

The Chairman called Item 457—*Medical Research and Education* and called the witnesses, Mr. Lalonde and Dr. Crawford, who were examined thereon.

Item 457 was adopted.

The Chairman called item 458—*Hospital Construction, Improvements, etc.*, and the witnesses were further questioned.

Item 458 was adopted.

Item 459—*Prosthetic Services* was called and adopted after further questioning.

Item 464—*Treatment and Other Allowances* was called and adopted.

The Chairman then expressed his appreciation and that of the Committee for Dr. Crawford's co-operation. He then called Item 461—*War Veterans Allowance Board—Administration*. The Chairman of the said Board was invited to introduce some members of his staff and to make an initial statement.

Mr. Cromb explained the organization and operation of the Board. The Committee agreed to print as an Appendix to today's Evidence a diagram and two tables submitted by the War Veterans Allowance Board. (*See Appendix "B"*).

Item 461 was allowed to stand and the Committee adjourned at 11.00 o'clock a.m. until Tuesday, May 30th, at 9 o'clock a.m.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, May 25, 1961

The CHAIRMAN: Will you please come to order.

I am going to call on Dr. Crawford, but just before doing so, I would like to say that at the meeting on the 11th of May there was considerable discussion in connection with why the pension commission takes into consideration damages in certain cases where a veteran is killed, as a result of which there are damages paid to the widow. At that time it was suggested that Mr. Anderson might file a letter of explanation. I have a letter in my possession from Mr. Anderson. As it is a rather lengthy one, and possibly does not need to be read, would it be agreeable if it was annexed to today's proceedings as an appendix?

Some hon. MEMBERS: Agreed.

The CHAIRMAN: Then, this letter from Mr. Anderson, which is dated May 24th, explaining how they arrived at the amount of pension in certain cases, will be put in as an appendix to today's proceedings.

Gentlemen, we are going on this morning with item 457.

Item 457. Medical Research and Education \$389,000

The CHAIRMAN: Before proceeding with this item, Dr. Crawford has a short answer in response to a question which was asked the other day.

Dr. J. N. B. CRAWFORD (*Director General, Treatment Services, Department of Veterans Affairs*): Mr. Chairman, you may recall that during the discussion on prosthetic appliances, Mr. Benidickson asked a question in connection with what we were paid in our various hospitals. Also, he asked for a comparison with those figures that were paid to civilian hospitals in the community.

I have some examples here which, I think, will show the point. For example, in connection with the Queen Mary hospital, we estimate our cost at \$22.90 a day. The hospital services commission has agreed to pay us, as a temporary rate subject to adjustment, \$15.00 a day. At the same time, they are paying Montreal General hospital \$21.75.

In Toronto our costs at Sunnybrook are \$18.53. We are paid \$18.00, whereas Toronto General is paid \$26.65.

In Winnipeg, our costs are \$19.42. We are paid \$17.50, and the Winnipeg General is paid \$21.55.

I have other examples, Mr. Chairman, but I think this is sufficient to show that we are recovering from provincial plans neither our calculated costs nor what is paid to other hospitals in the same community.

The CHAIRMAN: Have you a question, Mr. Carter?

Mr. CARTER: Yes. Dr. Crawford, could you go a step farther? Do the provincial authorities consult with you in arriving at their figures, or do they make their own cost estimates?

Dr. CRAWFORD: There is a great deal of consultation, and I must agree that we have had great cooperation with provincial hospital service commission authorities.

In our estimated costs of operation we have a number of things which would not be considered as justifiable costs in an ordinary hospital, and these have to be excluded if the commission is going to pay. However, the cost is

arrived at by arrangement up to a point, and, finally, of course, the commission reaches the point where they say this is what we are going to pay you, and that is that.

Mr. BATTEN: What do you include in costs? Does that include the operation of the building, and are professional costs included?

Dr. CRAWFORD: Some things are included in the way of professional costs; for example, the professional salaries of pathologists who are full-time employees of the hospital are included. Also included is the cost of all the administration people, the cost of nurses and technicians. All these things are included in the calculation of costs, as well as food supplies, coal and all this sort of thing. This all goes into making up our daily operating costs. However, depreciation is not included.

The CHAIRMAN: Have you a question, Mr. McFarlane?

Mr. MCFARLANE: Yes, Mr. Chairman.

Dr. CRAWFORD, are these costs you have given us the cost per day of a bed in a ward?

Dr. CRAWFORD: Yes, it is the cost per day for keeping a patient in the hospital.

You still recall that we do not differentiate in our accommodation. Although we have some one-bed wards as well as two and four-bed wards, and larger ones, we nevertheless lump all these together, and this represents our average cost per day per patient in the hospital.

Mr. CARTER: I have one more question. Does Dr. Crawford have the figures for the Vancouver general, and the Shaughnessy hospital?

Dr. CRAWFORD: Yes, our cost at Shaughnessy is \$20. We are paid \$18.75, and Vancouver General is paid \$21.60.

Mr. CARTER: The gaps between what the province pays and your own estimated cost run from \$1.50 up to \$5.

Dr. CRAWFORD: Yes.

Mr. CARTER: Could you give an example of what you consider is necessary and the province does not consider justifiable?

Dr. CRAWFORD: Yes, that is very easy. I would mention our arts and crafts program, for example; and our methods of rehabilitation. We have very large physical medicine plants in our hospitals, and our occupational therapy plants. Of course, these exist in other hospitals, do not misunderstand me; but we have them to a much greater extent than would an ordinary civilian hospital.

Mr. CARTER: I take it you can never hope to recover this from the provinces?

Dr. CRAWFORD: No, nor would we attempt to do so.

The CHAIRMAN: Let us start with item 457 treatment services, medical research and education, and sub item one, salaries—\$329,000. Are there any remarks? You will find it on page two.

Mr. HERRIDGE: I ask this question following a discussion with some of the delegates who were here at the second last meeting of the committee. I wonder if Dr. Crawford knows of any cases where an orderly had such little knowledge of the English language that he could not properly take instruction from the nurse as to where to take a patient, or to perform other duties?

Dr. CRAWFORD: Are you referring to the other official language of Canada?

Mr. HERRIDGE: I am referring to Sunnybrook hospital.

Dr. CRAWFORD: In Quebec we would have orderlies who spoke French.

Mr. HERRIDGE: No, I am not referring to French or to English. I mean a person who has very little knowledge of French or of English.

Dr. CRAWFORD: The answer to your question is no. I am not aware of any such cases, and I would be surprised if they existed, because people are hired in accordance with their competence to do the job they are required to do; and obviously the question of language in the area concerned is one of the essentials, I would think.

Mr. HERRIDGE: Could you obtain for us the number of veterans who are employed as orderlies at Sunnybrook and the number who are non-Veterans, and the number who are not citizens? I mean of those employed as orderlies?

Dr. CRAWFORD: Yes, I am sure I could get that information, on the first part of your question. But as to the second part, I shall inquire about it from our personnel officer.

The CHAIRMAN: If you have any special cases in mind, I think they should be brought to the attention of the committee, Mr. Herridge.

Mr. HERRIDGE: I am just asking this question at the request of some of the veterans who discussed it with me.

Dr. CRAWFORD: Have you any special hospital in mind?

Mr. HERRIDGE: No, just Sunnybrook.

Sub-item 1 agreed to.

Mr. HERRIDGE: There are criticisms of the service performed by the department occasionally, but very rarely. I would like to place on record a short paragraph from a letter I received only this morning. I think it is only fair to do so. This was written to me by a former sergeant in the scout section of the 54th Kootenay battalion. He is nearly 90 years of age, and has just returned from Shaughnessy. The paragraph reads as follows:

I went out to the dinner at Vancouver, but, taken sick on the train with that stomach flu, I landed in Shaughnessy Hospital for seventeen days. The most wonderful place in the whole world, Bert that time spent there is one of the bright spots in my life. The whole staff was most wonderful in every way, and those nurses, I love every one of them, and I told them so. When I left they came to bid me goodbye, and if ever in Vancouver be sure and come up and see them, and I have a bunch of letters from them since I came home. It's most wonderful. They used we old fossils just like we were real people, and always so bright and cheery about it.

I thought I should put that on record, Mr. Chairman.

The CHAIRMAN: Yes, thank you very much. The next sub-item is number 4 "hospitalization—departmental and contract hospitals"—\$1,000. Are there any questions?

Mr. STEARNS: What does it mean?

Dr. CRAWFORD: This item may appear a little confusing. Actually, it is very simple. Because of our system of government bookkeeping and accounting, if we bring a veteran into hospital for the purpose of research, that is, if we want to investigate him for research purposes, he is not brought in as an entitled veteran for treatment of his pension disability, or if he is a war veterans allowance recipient; therefore I have to pay myself for his hospitalization through this item, and that is what it is for.

Mr. CARTER: You do not do very much of it, then, according to the size of this item.

Dr. CRAWFORD: No. Of course there are many other ways to admit a veteran to hospital, and I do not have to use this.

The CHAIRMAN: The first sub-item (4) is agreed to. We proceed to the second sub-item (4) "extramural expenses for scientific facilities" \$15,000.

Mr. SMITH (*Lincoln*): May we have an explanation of this item? It is a little obscure.

Dr. CRAWFORD: It is up \$5,000.

The CHAIRMAN: It is \$15,000.

Dr. CRAWFORD: Yes, and it is up from what was submitted in 1960-61. This item is in connection with the use of facilities which we do not have in our own hospitals. For example, we do not permit animal research in our hospitals. Yet, this is an essential part of medical research. So when we have a research project which requires work in a university laboratory, or that sort of thing, we take it out to the laboratory, and of course we have to buy the facilities that are available in the university or in the other research laboratory.

Mr. HERRIDGE: Would Dr. Crawford mind giving us one or two illustrations of the type of research he would be undertaking in cases like that, very briefly?

Dr. CRAWFORD: I would be delighted to do so.

Mr. HERRIDGE: But not in technical language.

Dr. CRAWFORD: No. All our research is of the type that can best be done on the population which we have with us, that is, aging men who are under close control over a long period of time. Thus our major effort is going into the degenerative diseases. We have two very expensive projects working on hardening of the arteries, with its end result of strokes, and coronary occlusions. These are both very expensive projects.

We have an expensive project running in the investigation of Parkinson's disease. We have a project running on the investigation of cord changes, following cord injury, such as among our paraplegic group.

All in all, we have 85 projects going on in the D.V.A. research program. And I warn you, right now, that next year I am going to ask for a lot more money to carry these out, because we have now reached the point that our statutory increase in salary for our full-time people, with the corresponding increases we have had to make for pure research workers to keep them in line with our full-time people, has now reached the point where I just do not have enough money with which to carry on this work. This year, for example, I was able to take on only a very few new projects; and we had to whittle down on some of the older ones which, although valuable, seemed less valuable than the ones we retained.

Mr. HERRIDGE: I think it is very fortunate that Dr. Crawford has given the committee this information, because I am quite sure that a lot of people are under the impression that the medical branch of the department is a sort of static organization looking after a lot of old creaks.

Dr. CRAWFORD: On the contrary, I am extremely proud of our research program. We have contributed notably to the medical knowledge of Canada and of the world in general. We have some first-class research projects going on, and it is a very active and dynamic program.

Mr. WEICHEL: What progress have you made in your study of Parkinson's disease?

Dr. CRAWFORD: Of course the great interest now is in the surgical approach, that is, the ablation of certain groups of cells in the brain. Our major contribution in this field has been to establish certain base lines. The surgical technique in itself was developed mainly in the United States. We took this up and we said: how are we going to carry it on? We have in fact had much good from it. We said: how can we measure a man before surgery, and measure a man before surgery, and measure him after surgery to see the difference?

So we have spent a great deal of effort, very successful effort, which is now being used by the United States veterans administration. I refer to our technique in assessing people and measuring certain factors in a man before and after surgical treatment for Parkinson's disease.

Mr. WEICHEL: I have two close friends who have Parkinson's disease, and it just seems to be gradually getting worse. I was wondering if there was anything at all in the way of improvements or advances?

Dr. CRAWFORD: We have made terrific advances. The surgical approach is very effective when it is effective. But sometimes it is not effective at all. It does carry very considerable risk. It is not the sort of thing I would just want to recommend to anybody, such as having his teeth cleaned, or something like that. It is pretty big stuff.

Sub-item agreed to.

The CHAIRMAN: The next is sub-item (5) "travelling expenses-staff" \$3,500. Are there any questions?

Sub-item agreed to.

Sub-item (12) agreed to.

On sub-item (16) "special research equipment", \$17,000.

The CHAIRMAN: Are there any questions?

Dr. CRAWFORD: Equipment is a very hard thing to control. You know what you want to buy, and you have to pay the price for it if you are going to have it.

Sub-item agreed to.

On sub-item (22) "medical education", \$10,500.

Mr. WEICHEL: Who is concerned with this medical education?

Dr. CRAWFORD: This vote is entitled medical research and education. We hold back this amount of money for the purpose of education our full-time people. I send various doctors, nurses, and technicians off to special courses every year in order to keep them abreast with modern developments in their own field. We operate a number of courses of our own. For example, at Westminster Hospital we have a very good course in psychiatric nursing, which is attended not only by our own people, but also by people who seek to attend from outside the department, such as nurses who want to attend the D.V.A. course. Naturally this sort of thing costs money, and this is the item which pays for it.

Mr. WEICHEL: Do these people apply to attend, or are they picked by you?

Dr. CRAWFORD: My own people are picked by me. The non-departmental people are sponsored in the main by the province, and they pick the people they want to attend.

Sub-item agreed to.

Sub-items (22) a miscellaneous research expenses, \$10,000, and sub-item (22) "travelling expenses—patients and escorts" \$1,000, item agreed to.

On sub-item (28) "compensation for loss of earnings" \$1,000.

Mr. CARTER: Why is it that there were no expenditures under these two items last year?

Dr. CRAWFORD: I have to pay myself for anybody I bring in for purely research purposes, and I have to pay the hospitalization expenses. Therefore I have to have some money to allow me to bring people in and to pay for their escort, if an escort is required. Now, obviously this is not the sort of exercise that one indulges in very frequently. People come in for other reasons. But the item is there in case I have to pay travelling expenses, or escort expenses, sometimes.

Mr. CARTER: Is this the first year you have included this item?

Dr. CRAWFORD: No sir. This item has always been in. It is a traditional item. But I do not know if we have ever spent any of the money.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): I would just point out to Mr. Carter that within the vote the department can transfer allotments from one object to another: and if you will note it, last year under this vote we were authorized to spend up to \$360,000, whereas we actually spent only \$354,000, but not necessarily under each object shown in the vote.

Mr. MCFARLANE: I would like to ask Dr. Crawford a question for personal information and nothing else. Why should we enter into a research program? The research you mentioned must be carried on by universities and medical laboratories and centres all over the world. Is it our prerogative to get into a research program?

Dr. CRAWFORD: I think it is essential that we be as active as we can be in the field of medical research and medical education. It would be all too easy for the department to say: we are simply going to run a series of hospitals for an increasingly aging population, and we are going to do it in a pedestrian, quiet fashion. What we give will be good, but it will not be startling. The only way that you can keep a medical program alive and vibrant is to have people who are keenly interested in investigation, in the search for new things, and in searching out the truth. This is what medical research is; and I consider it to be an essential pillar in the quality of the treatment which we have been able to give. It is because of our interest in research, and our interest in medical education, and our close tie-in with universities that we can attract to our hospitals a staff of medical men of the calibre which we have now.

Mr. STEARNS: Would you like to include in that what we were speaking of before the meeting began, namely, the Hong Kong forces, and their general state of health?

Dr. CRAWFORD: Some days ago Mr. Stearns passed to me a slip of paper on which he asked me some questions about the number of deaths which had occurred among the Hong Kong group since they returned. The answer to it is 89. He also asked what information was available concerning their medical history, and what had happened to them. This, actually is the subject of a study which is slow and troublesome in many ways. Nevertheless, we are receiving more information now, following his request, than we had previously. I hope we will have an answer within a few weeks.

Jointly with the director general of welfare services, we hope to launch what really is a sociological study on this special group of veterans—not that I am prepared to admit that they are that much different from other veterans, but they are a compact group which have certain characteristics in common which lend themselves very nicely to research study. As I say, we are going to embark on this and I think it should produce some very interesting results.

Just yesterday I had a consultant in medical statistics up. In my opinion, he is the leading man in Canada, because bio-statisticians are very hard to come by. He was looking at the material we have and at the facilities for handling this material, and he confirmed what I have always said, that we in the Department of Veterans Affairs are in a unique position in all of Canada to contribute to medical knowledge in our own limited sphere.

Mr. MATTHEWS: Mr. Chairman, may I revert to compensation for loss of earnings? Would that be to cover a veteran who was called into hospital for an examination?

Dr. CRAWFORD: For research purposes, only. If I bring a man in for research and he loses money as a result of it, I make it up to him out of this vote.

Mr. SMITH (*Lincoln*): Mr. Chairman, I would like to ask Dr. Crawford if they have overcome the problem of some of the patients being allergic to plastic eyes. Do they use plastic anymore?

Dr. CRAWFORD: We use a good deal of plastic. Very few patients are allergic to plastic eyes. This is one of the things we have to find out. We would not use a plastic eye for someone who was allergic to it. However, plastic eyes are much more common than any other kind.

Mr. MATTHEWS: I do know of one case which has created quite a problem—and it is a lifetime problem, too.

Dr. CRAWFORD: That is too bad, in this particular case, because the plastic eyes are much superior.

Mr. SMITH (*Lincoln*): The department are paying him a pension.

Mr. McFARLANE: Mr. Chairman, I would like to take this opportunity of thanking Dr. Crawford for his explanation in connection with this research program, because I realize this is going to be one of the questions I am going to be asked when I get back home. It will be in black and white.

Item 457 agreed to.

Item 458: Hospital Construction, Improvements, Equipment and Acquisition of Land \$5,362,000

Mr. CARTER: Could Dr. Crawford or the deputy minister advise if the contract has been let in Newfoundland?

Dr. CRAWFORD: Yes, it was let about three weeks ago.

Mr. CARTER: Do you know who has the contract?

Dr. CRAWFORD: I think it was Argo.

Mr. CARTER: Argos Construction?

Dr. CRAWFORD: No, Argo Construction.

Mr. MATTHEWS: Could Dr. Crawford advise whether or not the laundry is completely in and operating at Shaughnessy, now?

Dr. CRAWFORD: The laundry is completely in, but I think it will be about two weeks before the machinery is turning over.

Mr. HERRIDGE: Could I be advised as to what disposal was made of Hycroft in Vancouver?

Dr. CRAWFORD: It has been declared surplus to Crown Assets Disposal Corporation.

Mr. HERRIDGE: Where would the patients who would formerly go there now be looked after?

Dr. CRAWFORD: Some of them now are accommodated in Shaughnessy and some in George Darby.

Item 458 agreed to.

Item 459: Prosthetic Services—Supply, Manufacture and Administration, including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year for prosthetic and related services \$1,417,258

Mr. FANE: Is this not the vote under which artificial limbs and things of that kind are made?

Dr. CRAWFORD: Yes, it is the vote under which we operate the whole of the prosthetic services, Mr. Fane. We manufacture, repair and also, through prosthetic services, handle some items which might be handled in another way except that there does not seem to be any gain in doing so. I am referring to eyeglasses, hearing aids and that sort of thing, which are issued through prosthetic services.

Mr. FANE: How about dentures?

Dr. CRAWFORD: No; that comes under dental services, which is a treatment vote. You already have considered that.

The CHAIRMAN: Have you a question, Mr. Weichel?

Mr. WEICHEL: Yes. I would like to ask Dr. Crawford if there has been any change made on stump socks. I think we were able to order them every six months. Is that still the standard practice?

Dr. CRAWFORD: I believe I am right in saying that there is a certain number of stump socks per year or every six months. However, I think you can order them at any time.

Mr. WEICHEL: I think you could order one-half dozen every six months.

Dr. CRAWFORD: Mr. Weichel, I believe that regulation still stands. However, I would like you to bear in mind that this is a very loose regulation.

Mr. WEICHEL: I would like to say that the stump socks now are of a very good standard and well-made. I certainly appreciate them very much.

Dr. CRAWFORD: I am glad to hear that, because, as you know, for a couple of years it was a very contentious item, and people were complaining.

Mr. WEICHEL: They are much better than they used to be. They are made of much better material.

Mr. CARTER: Dr. Crawford, this question of hydraulic limbs came up the other day when the war amps were before the committee, and I think you told the committee that you sent people from Sunnybrook down to the United States in order to be trained in the maintenance of these things. Is there any allowance in this item here which covers that?

Dr. CRAWFORD: No. I cover that under another vote. Prosthetic services are part of treatment services, and I would pay for some of these courses in my medical education, which you covered in research and education, and some would be covered by staff travel in the main treatment services vote, as well as some, of course, under this item for travelling expenses, staff, \$9,000. We are making an increasing use of facilities available in the United States, and we are sending more and more people into training courses in prosthetic courses in the United States. In addition, we are giving more courses ourselves. We had a fine one just a few months ago, when I brought up some of the California people to discuss with us what they were doing. I brought in all my orthopedic surgeons and senior limb makers from all across the country. We met at Sunnybrook hospital for three days and had a first class symposium on the problems of limb-making. At the present time we are in the process of arranging for another one this fall, in Toronto, and we are going to bring in our own people.

Mr. WEICHEL: Was that meeting held before or since the meeting we had with the war amps?

Dr. CRAWFORD: It was long before that. We had this meeting in September or October.

Mr. WEICHEL: I thought this was a very good point, and I do not believe you explained that to Mr. Butler at the time. However, I am glad you are mentioning it now.

Dr. CRAWFORD: Mr. Weichel, I find it very difficult to keep the war amps informed as to what is going on. Although we are doing a great deal, a few—and I might say, a very few—of the war amps are not prepared to agree that we are doing anything.

Mr. WEICHEL: I will agree with you.

Dr. CRAWFORD: I tend to adopt the Russian approach to my sputniks; I only like to talk about them after they are shot off.

I think the war amps would like more information. However, frankly, I think I am telling them enough. The important thing is: Am I doing enough? Talk is cheap.

Mr. HERRIDGE: Hear, hear. That is the right attitude to take.

Mr. CARTER: I was impressed by this war amp who appeared the other day and spoke about the Symes operation. He said that the limb with which he was fitted at the present time was heavy down by the ankle, and, as a result, the weight was not distributed as it naturally would be, putting an extra wear on the knee joint in having to swing this heavy weight ahead from the ankle. Dr. Crawford, are you doing any research to overcome that problem?

Dr. CRAWFORD: I think Canada has made the greatest contribution made thus far, in respect of the Symes prosthesis. The prosthesis which now is used in the United States and Great Britain is known as the Canadian Symes. It was developed, manufactured and introduced by the prosthetic services department of the Department of Veterans Affairs, Canada. It is a plastic device, and is a tremendous improvement on anything that has gone on before in the way of prostheses. Although it still is heavy, we have to face reality; if a thing is going to be strong enough to take the knocks of usage day in and day out, it has to have some substance to it, and this means some weight. We have made this thing as light as we can. We are using plastics, aluminum and the lightest materials available which also have the strength. It still is not a good flesh-and-blood foot, and it never is going to be. We just have to do the best we can with artificial materials, and we must never expect that an amputee is going to be completely satisfied with an artificial product for something he has lost—and I do not blame him.

Mr. CARTER: I got the impression, rightly or wrongly—and this is something I would like to clear up—that the force of his argument was that if he had not had the Symes operation, and if his amputation had been taken off a little further up, towards the knee, the type of limb with which he would have been fitted would more or less have taken care of this problem.

Dr. CRAWFORD: Oh, no; that is not true.

Mr. CARTER: I know he spoke of a piston action.

Dr. CRAWFORD: That is true. There are disadvantages to this particular type of operation, but it has so many advantages over the higher type of operation. You must realize that we have to take the bad along with the good. Although the Symes type of amputation was in disrepute for a good many years, following the original introduction of it by the Scot surgeon who first performed it, it now has achieved tremendous popularity, and more and more surgeons are realizing the advantages of the Symes amputation, if there is enough of the leg left to permit it. This is the operation of choice.

Mr. WEICHEL: I, myself, find that sometimes I get along much better with the wooden socket than I would with the aluminum one; it is much more comfortable, and I think if it was made too light, it would not be as comfortable as it would be with the extra weight.

Dr. CRAWFORD: Of course, I would be delighted to get into a technical discussion of that, if that was your wish. The whole prosthesis is different. This lump of stuff is at the end of a third class lever, and the heavier it is, the harder it is going to be to swing it.

Mr. HERRIDGE: Mr. Chairman, what is this item, "Less—recoveries from outside organizations"? Under what circumstances would recoveries occur?

Dr. CRAWFORD: Mr. Herridge, we supply prosthetic appliances. We supply them not only to our own entitled veterans, but we also supply a prosthetic service where the service cannot be provided through other resources. For

example, in the province of Saskatchewan there are no civilian limb makers, and, at the request of the Saskatchewan Red Cross, we supply limbs to non-veterans in Saskatchewan, and we get paid our costs for these. Similarly, we supply limbs to national defence, the R.C.M.P., and a number of workmen's compensation boards, who find that our product is of the sort that they cannot obtain elsewhere. They come to us and ask us to supply them, and they pay us for what we give them. These are our recoveries.

MR. MATTHEWS: I wanted to revert to travelling expenses for patients and escorts.

THE CHAIRMAN: Just a minute, Mr. Matthews. Have you a question on the subject we are discussing, Mr. Weichel? If so, will you ask it now, so that we can keep it in sequence.

MR. WEICHEL: It is all right, Mr. Chairman.

MR. MATTHEWS: This matter which I mentioned is not yet clear to me. I would assume that an escort would be provided where a person was unable to go by himself. He would be unable to travel on his own, as a result of which an escort would be supplied. Could his brother, wife, or other relative act as an escort?

DR. CRAWFORD: It probably would be his wife, brother, or a friend.

MR. MATTHEWS: And that would be in a case where it would not be safe for him to travel alone?

DR. CRAWFORD: Yes.

MR. MATTHEWS: Reverting to compensation for loss of earnings, what is the significance of that?

DR. CRAWFORD: If a man is called in for a prosthetic fitting, and loses wages because of this.

MR. MATTHEWS: Does he receive his full wages?

DR. CRAWFORD: No. At the moment we can pay him an amount not exceeding \$8.50 per day. However, he has to prove that he has lost wages; he just cannot come in and claim his \$8.50.

MR. MATTHEWS: I did not understand that. I think it is a very good idea.

THE CHAIRMAN: Your question, now, Mr. Weichel.

MR. WEICHEL: Have you any estimate of the number of civilians that are supplied with artificial limbs through the department?

DR. CRAWFORD: Although I should have this figure at my finger tips, I do not.

MR. WEICHEL: The reason for my request is that I have been asked for this information on different occasions.

DR. CRAWFORD: I can tell you—and perhaps this will answer your question, that about 60 per cent of our activity in prosthetic services with respect to artificial limbs is done for the benefit of veterans. The other 40 per cent is outside.

MR. CARTER: Is that a growing industry?

DR. CRAWFORD: For non-veterans?

MR. CARTER: Yes.

DR. CRAWFORD: Mr. Carter, we can make it as big as we want it to be. There is no question but that we operate the largest, and I think the best prosthetic service in Canada, and all sorts of people would like to use it. However, we do not permit this, for various obvious reasons. Every prosthetic appliance which we make means that one less is made by private enterprise, and we have to be awfully careful about travelling on the feet of people whose living depends on making artificial appliances.

We only supply those to non-veterans on the presentation of a certificate by a responsible organization. We do no individual business. We will not talk to Mr. Jones, who wants an artificial limb; we only deal with responsible agencies or organizations who sponsor a case and who certify that the service is not otherwise available, and who undertake to pay for it.

Mr. CARTER: Are most of these made in Sunnybrook?

Dr. CRAWFORD: I suppose you could say that our prosthetic operation was, in the main, centralized in Sunnybrook. Certainly, our main manufacturing center is in the shop in Sunnybrook. It is a huge place, and I think the members saw it two years ago.

Mr. CARTER: Yes.

Dr. CRAWFORD: We do a great deal of minor manufacturing, and the greater part of our maintenance is done in smaller shops scattered throughout the country. Some of the manufacturing, as well as the manufacturing of the component parts, is done in Sunnybrook, although a great deal is done locally in the districts.

Mr. CARTER: Where is the service provided for Newfoundland veterans, if one needs to get his limb replaced, or have some maintenance work done on it? Is it done in Newfoundland?

Dr. CRAWFORD: Although the nearest district center is in Halifax, we do have a visiting service. We send a limb maker—an orthopedic appliance man—over from Halifax at regular intervals several times a year. Veteran amputees on the island are notified of the dates of his visit. He sees these veterans and deals with what problems he can locally, at that time. This is the same way we cover, for example, Saskatoon; we cover it from Regina. We cover Prince Edward Island in the same way. In many of our outlying areas we do not maintain a shop, but we have a visiting service.

Mr. HERRIDGE: Do you ever have instances where veterans, in spite of all the improvements made in artificial limbs, still prefer to wear a peg leg? I ask this question because I met one such person at one time, and I could not understand the reason for it.

Dr. CRAWFORD: Well, I can believe that, Mr. Herridge. Of course, many veterans prefer to wear nothing at all. I think we have one here who is a very bad advertisement for me, and it is an arm case. Some leg cases are quite happy to get around on crutches and do not want any sort of appliance. I get bad advertisement wherever I look, in the way of prosthetics.

The wearing of a peg leg would depend entirely on the type of amputation. In a below-the-knee case a fellow might be perfectly happy. Of course, where we do an amputation for vascular diseases in connection with our older people, we invariably fit them up with a Pilon, which is a peg leg, to see if they can tolerate an artificial appliance of any kind. They use this for a number of months before we actually make a better leg for them.

Mr. WEICHEL: If it would make you feel better, I would say that I never have used my crutches, for 42 years, on the street.

Dr. CRAWFORD: Thank you.

Item 459 agreed to.

Item 464. Treatment and Other Allowances \$2,400,000

Mr. HERRIDGE: What is the reason for that being separated from the other items? I presume it is just an administration question?

Dr. CRAWFORD: I think this is a carryover of tradition, to some extent. Originally, the business of payment of treatment allowances, clothing allowances, comfort allowances, and that sort of thing, was not a part of the treatment branch activity; it belonged to the administration branch, and only

within the last eight or ten years, or so, has it been drawn into the treatment branch. This has been my responsibility since I came to the department. It is separated by numbers from some other vote because at one time it was an administration vote, rather than a treatment branch vote.

Mr. HERRIDGE: Well, tradition apparently does apply in the department.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): If I may say so, Mr. Chairman, there is more to it than that. As you know, this is a supplement to pensions, and we do not consider it part of the administrative costs of treatment services. These are payments made to pensioned veterans as a supplement to pensions while they are in hospital.

Mr. HERRIDGE: I see.

Item 464 agreed to.

The CHAIRMAN: At this time on behalf of myself and the members of this committee, I would like to thank Dr. Crawford and the members of his staff for the explanations they have given, and the cooperation they have shown in every way. Thank you very much.

I now call upon Mr. Cromb. Mr. Cromb has a short statement to make before we commence with item 461, war veterans allowance board.

Item 461. War Veterans Allowance Board—Administration \$170,994

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): Mr. Chairman, with your permission, I would like to table three items for the record. One item is a statement of the war veterans allowance recipients on strength as of the 31st day of March, 1961, and the annual liability thereto; the other shows the number of recipients, by provinces, as well as a chart of the organization of the war veterans allowance board.

Before commencing my statement I would like to introduce those who are with me this morning. First I would like to introduce Mr. Paul B. Cross, O.B.E., V.R.D., who is a Member of the War Veterans Allowance Board and who acts as an administrative Commissioner to assist me in that phase of my task. Second, I would like to introduce Mr. C. H. Maser who is Secretary to the Board. I hope that among the three of us we will be able to answer your questions.

The War Veterans Allowance Board is established under the authority of the War Veterans Allowance Act of 1952, as amended. The Board is a statutory Body reporting to Parliament through the Minister of Veterans Affairs for the administration of the War Veterans Allowance Act. The Board is a quasi judicial body and is independent as far as its decisions are concerned.

Quoting from Section 29 of the Act:

Except as to the power, authority and jurisdiction to deal with and adjudicate upon applications for allowances under this Act, the Minister shall be charged with the administration of this Act.

Quoting from Section 25(5) of the Act:

"The Chairman of the Board has control and direction over the duties to be performed by the other members of the Board and the duties to be performed by such members of the staff of the Department as may be assigned to the Board by the Minister."

In addition to the Chairman, the Board is composed of the following members:

Mr. P. B. Cross, O.B.E., V.R.D.

Mr. H. B. Mersereau

Mr. J. E. R. Roberge

Mr. Marc-A. LaVoie, E.D.,

all of whom are salaried. In addition and under Section 25(3) of the Act, the Deputy Minister, for the purpose of liaison with the Department, serves

as a Member, without remuneration, and Mr. Don Thompson, Dominion Secretary of the Canadian Legion also serves as a Member without remuneration.

The administrative clerical and stenographic staff are classified Civil Servants numbering 25.

The administration of the Act is decentralized through the establishment of District Authorities and in relation to this I quote Section 23(1) of the Act:

The Minister may establish regional districts of the Department for any area and, with the approval of the Governor in Council, may appoint for each district a District Authority consisting of such number of persons employed in the Department as the Minister may prescribe.

By Regulations, a District Authority consists of not less than four and not more than seven persons, the strength of the District Authority being related to the size of the regional district of the Department and the volume of War Veterans Allowance business to be handled.

The people on the District Authority perform a dual role, serving on the District Authority as well as performing their own departmental tasks.

The Regional Administrator or the District Administrator as the case may be, carries the appointment of Chairman of the District Authority and the other members of the District Authority are drawn from senior people of the Veterans Welfare Services Branch in the District.

Under Section 23(2) of the Act, it is to District Authorities that applications are made for the allowance.

There are nineteen District Authorities including the Foreign Countries District Authority which is located in Ottawa.

Under the Act, District Authorities have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters and questions arising under the Act in the District for which the District Authority was established relating to the award, increase, decrease, suspension or cancellation of any allowance awarded or paid under the Act.

The War Veterans Allowance Board exercises functional authority over these District Authorities. In addition, the War Veterans Allowance Board acts as an Appeal Court for applicants and recipients aggrieved by the decision of a District Authority, and the Board may, on its own motion review any adjudication of the District Authority and alter or reverse the adjudication under Section 28 of the Act.

The Board is responsible for the supervision and control of practices of District Authorities and issues instructions to this effect.

In addition, the Board adjudicates cases being within the purview of Section 10(2) of the Act, renders an opinion on Section 11 cases and, in conjunction with the Canadian Pension Commission, establishes a rate (for 30(11)(b) widows) under the provisions of Section 30(12) of the War Veterans Allowance Act.

The Board is also responsible for instructing and guiding District Authorities in the interpretation of policy, and for advising the Minister with respect to regulations concerning the procedure to be followed in matters coming before the District Authorities for adjudication.

In addition to the above, the Board possesses the powers of interpretation in administering the Act. It is a continuing task of the Board to make recommendations to the Minister for changes in the Regulations and amendments to the Act.

The Board is indebted to the Department and the Deputy Minister for the coordination of Services that assist the Board in the administration of the Act. I refer to legal advice from the Director of Legal Services; to the services from the Director of Personnel and Administrative Services; to services from the Director of Finance, Purchasing and Stores; to the Director General, Treatment

Services, for medical assesment on veterans under sixty and female veterans and widows under fifty-five years of age; and to the services received through the Veterans Welfare Services Branches in the Districts, which provide clerical staff for the Secretariat of each District Authority and provide the means of securing investigations and reports by Veterans Welfare Officers, for the District Authorities and the Board.

I would like to mention too, the liaison with the Chief Treasury Officer in the services his office provides.

Between Mr. Cross, Mr. Maser and myself, we shall be very happy to answer questions on the operation of the act and to secure information that may be requested by members of this standing committee on veterans affairs.

Now, before I sit down I would like to answer, for the record, a question which was asked by Miss LaMarsh on the 18th of May when she asked for the number of female veterans who are recipients of war veterans allowance. I did not have the number at the time, but I have it now. These are the figures for World War I.—We have 176 female recipients of war veterans allowance. All of them, I may say, are nurses. And for World War II, we have 90 female veterans who are recipients of war veterans allowance. Most of these are made eligible through their being in receipt of a disability pension. In addition there is one dual service female recipient. The total number of war veterans allowance recipients who are female veterans is 267. Thank you, Mr. Chairman.

Mr. McFARLANE: I wonder if the witness could explain the difference of approximately \$213,000 in the two statements which he has had distributed. You have an annual liability on the big sheet in the amount of \$58,148,679, while on the small sheet it is shown as \$58,365,651.

Mr. CROMB: Might I ask Mr. Cross to answer the question.

The CHAIRMAN: Yes indeed.

Mr. P. B. CROSS (*Member of the War Veterans Allowance Board*): Yes, Mr. Chairman. The larger sheet which is broken down by provinces does not include the special forces item which is on the other sheet, nor does it include the section 4 item. Our statistician did not have these broken down by provinces. Therefore the total figure of 69,337, with an annual liability of \$58,148,679 covers all but the special forces, which number 76 people only, and the section 4 recipients which number 133 people only. That totals 209 recipients which are not included in the provincial breakdown. The annual liability for these 209 is the difference between the two annual liabilities shown, which is approximately \$200,000 for 209 recipients.

Mr. CARTER: These figures are based on prevailing rates. You do not anticipate any increase?

Mr. CROMB: That is right: they are based on the prevailing rates as of today.

Mr. SMITH (*Lincoln*): Would the witness please explain what is meant by special force?

Mr. CROMB: The special force means the Korean veterans.

The CHAIRMAN: It is understood that the three sheets which were distributed today will be included with the minutes of today's meeting as an appendix.

Mr. CARTER: I wonder if the explanation which Mr. Cross gave could be inserted at such a place that people reading it would be able to relate it to these figures which Mr. McFarlane inquired about.

Mr. HERRIDGE: The minutes will show it.

The CHAIRMAN: The clerk says it can be arranged.

Mr. CARTER: It might be more convenient if this were done, otherwise it might appear a couple of pages away from the explanation. I would like to

know about the relationship between the welfare officers who do the investigating for the war veterans allowance board, and the war veterans allowance board itself. How is that liaison effected in the district office?

Mr. CROMB: Mr. Carter, for the decentralization of the act and for the purpose of having authority to adjudicate on applications under the act, the minister appoints, with the approval of the governor in council, certain people to a District Authority. By that appointment those people are authorized to adjudicate, and administer, the War Veterans Allowance Act in that region. They also are members of the veterans welfare services branch, with the exception perhaps of the chairman. All investigations are done by veterans welfare officers of the veterans welfare services branch. The line of control goes from the deputy minister to those persons in the veterans welfare services branch. The board has functional authority over the District Authorities in the manner in which the act will be administered.

Mr. LALONDE: The welfare officers who do the investigating do not do the adjudicating.

Mr. CARTER: What is the chain of authority between the persons who are going to do the adjudicating and sending out the people who are going to do the investigating?

Mr. LALONDE: The district authority receives an application and requests an investigation from the superintendent of welfare services. Then the superintendent of welfare services in each district designates certain welfare officers to carry out the investigations. Then the investigation report is referred to the chairman of the district authority.

Mr. CARTER: But when he makes a claim, the claimant must apply to the district authority.

Mr. LALONDE: Yes; but he can apply to any welfare officer or even to a service bureau of the Legion, or the secretary of a Legion branch.

Mr. STEARNS: Or to a member of parliament.

Mr. LALONDE: Yes.

Mr. CARTER: There still is a little hiatus there which I would like to clear up. Take the case where a man applies to the district authority. The district authority passes it back to the superintendent of welfare.

Mr. LALONDE: For investigation.

Mr. CARTER: And then it comes back to him again after investigation.

Mr. LALONDE: For a decision.

Mr. CROMB: In effect the people on the district authority wear two hats, if I may use that expression. They have a departmental task but also have this added authority from the minister, with the approval of the governor in council, to administer the act.

Mr. LALONDE: Mind you, no welfare officer who is a member of a district authority can make a decision by himself. This requires a quorum decision, so there are always at least two persons adjudicating on any application.

Mr. CARTER: My problem is not so much the adjudication as the investigation. The period was three or four months in a case which I sent to Colonel Lalonde a few days ago. Now I have another case in which it was five months.

Mr. LALONDE: We discussed this the other day.

Mr. CARTER: This is another case. It is the same problem, but another case.

Mr. LALONDE: As I told you, the director of welfare services is going to visit Newfoundland and he will take this up with the local people.

Mr. CARTER: I am concerned about this person who has waited so long.

Mr. LALONDE: If you will give us the details we will look into it.

Mr. HERRIDGE: I would like the chairman of the board to explain to the committee the chain of responsibility. I like that word better than the word "authority" in dealing with veterans affairs. The word is all right under National Defence. I am interested in the chain of responsibility between the district authority and the war veterans allowance board in respect of appeals. The second question is: is the applicant informed of his right of appeal to the board in Ottawa?

Mr. CROMB: When an applicant has his application declined by a district authority, a letter is sent to him from the district authority. In that letter he is told he has the right to appeal to the war veterans allowance board in Ottawa. The procedure is outlined in this letter. This procedure is not always followed, but the idea is he should forward his appeal to the district authority which will take all the information and forward it to the war veterans allowance board in Ottawa for consideration. Frequently, however, a veteran will apply direct to the board or, in some cases, to a member of parliament. When it comes to the war veterans allowance board we ascertain from the district authorities if they have given us all the up to date facts on the case. When that is received, the board sits on the appeal, makes a decision. The applicant is then informed of the result of the appeal, and at the same time the district authority is informed. There is a direct chain between this authority and the board.

Mr. HERRIDGE: My next question is: has the applicant when appealing to the board in Ottawa the right to introduce new evidence?

Mr. CROMB: Yes, indeed. The board in Ottawa will consider and reconsider a case. Sometimes this happens again and again, because of the fact that the applicant produces something new which he feels should be considered. We do not close it off and say that is final; we will always re-consider it.

Mr. CARTER: It is different from the pensions board. There is not a final appeal.

Mr. CROMB: No. We will always consider it.

Mr. SMITH (*Lincoln*): In respect of the eligibility clause, I have the case of a fellow who claims to have served six months in the navy in the first war and had 230 days service in Canada in the second war. In a case of that kind would he be entitled to the war veterans allowance?

Mr. CROMB: If he has had service in each war he would be entitled to be treated as a dual service veteran and would be entitled to apply for war veterans allowance.

Mr. WEICHEL: He would not have to have 365 days service?

Mr. CROMB: No.

Mr. HERRIDGE: The question of casual earnings is a very interesting one to applicants for war veterans allowance and to members of parliament or anyone who is interested in the administration of the act. Quite recently I have had some very voluminous correspondence with one veteran on this question of what is considered as casual earnings. I will not take the time of the committee to go into the detail, but in this case the veteran was suspended from war veterans allowance, according to the information he gives me, because his earnings were calculated, from his point of view, unfairly, because he was in business in a small way and allowance was not made for the depreciation on his equipment and property while he was in business. If a recipient operates a small business, what expenses do you allow as a deduction from gross earnings in determining his net income? The second question is: do you also allow depreciation as an expense? I would like to have that explained fairly well, because I have had this question arise on one or two occasions. This particular case is one in which there has been a good deal of correspondence and time taken up in my office—more than in all the other cases put together.

Mr. CROMB: If a recipient is in a small business we will allow as a deduction from his gross earnings, to arrive at his net income, expenses such as rent, taxes, insurance, wages, repairs and maintenance of equipment, where such disbursements and expenses have actually been paid by the recipient. We will look into his expenses before we start estimating his costs. We take that off his gross in order to arrive at his net income.

So far as depreciation is concerned, we do not consider depreciation to be an expense, because depreciation is a means of spreading the cost of capital assets over the period of their useful life. If we allowed a recipient to deduct from his income the amount that would normally be set aside for depreciation—that is his replacements—that in effect would be authorizing the use of the war veterans allowance for the purchase of capital assets. We do not think a man who would use depreciation as a factor in qualifying for the allowance should really be a recipient. That is something for his business. A recipient is a man who because of the means test is shown to be in limited financial means; otherwise he would not be qualified for the allowance. We do not consider depreciation to be an expense. We consider it to be spreading the cost of capital assets over the period of the useful life.

Mr. CARTER: It would be the equivalent of replacing his capital.

Mr. CROMB: Exactly.

Mr. HERRIDGE: Then, in calculating a person's income, in your interpretation of the act and the regulations you include as costs only the actual out-of-pocket as an expense?

Mr. CROMB: That is correct.

The CHAIRMAN: If he repaired his building and equipment would that be considered as an expense?

Mr. CROMB: Yes; it would be an expense.

The CHAIRMAN: That really would be taking the place of some depreciation, would it not?

Mr. CROMB: But it is not depreciation as such.

Mr. HERRIDGE: Have you had this question arise on a number of occasions?

Mr. CROMB: We have had several occasions on which it has come up. One or two queries have come from farmer recipients who have asked if they might be allowed depreciation on farm machinery. There have been very few, but there has been a number.

Mr. HERRIDGE: Relatively few.

Mr. CROMB: Yes.

Mr. CARTER: I think this would be a good time to adjourn.

The CHAIRMAN: We will adjourn until next Tuesday morning at 9:30 at which time we will continue with item 461.

APPENDIX "A"

THE CANADIAN PENSION COMMISSION

OTTAWA 4, Ontario, May 24, 1961.

G. W. Montgomery, Esq., Q.C., M.P.,
Chairman,
Standing Committee on Veterans Affairs,
House of Commons,
Ottawa.

Dear Mr. Montgomery,

During the discussions which took place at the meeting of the Standing Committee on Veterans Affairs on May 11th, it was suggested that I prepare a short statement with respect to Sections 20, 21 and 22 for the consideration of the Committee.

When the original Pension Act was being considered by a Parliamentary Committee in 1919, after noting and referring to the insurance principle, it was stated:

A number of accidents of various descriptions have occurred, and will continue to occur, in which the disability caused by the accident is pensionable and also entitles the soldier and sailor to damages or compensation from the person or company which was responsible for the accident. It is not reasonable that both pension and damages should be paid. . . .

In this connection, an example was quoted of an accident which was the primary cause of the disability and which would fall under the section.

As a result, a section was included in the Act which provided "that the Commission would, as a condition to payment of pension, require the pensioner to assign any right of action he might have to enforce any such liability of such persons. . . .".

At the outbreak of World War II, the Commission had some doubts as to the effectiveness of the section to accomplish the purposes for which it was enacted, and wrote the Deputy Minister of Justice requesting advice on the following points:

1. Does Section 18 apply in cases coming within the jurisdiction of the several Provincial Workmen's Compensation Boards?
2. If the answer to '1' above is in the affirmative, would an assignment of rights in such cases be binding upon a Workmen's Compensation Board?

The Deputy Minister replied that he was of the opinion that the section in its present form was really unworkable, as it did not enable the purposes for which it was apparently enacted to be effectually carried out. As a result of this opinion, the section was repealed by Chapter 23, 4-5 George VI, 1941, and re-enacted as Section 18 until the 1952 revision from which it emerged as Sections 20, 21 and 22.

If these sections were not in the Act, the result would be that a serviceman who had suffered injury which, while incurred on service and pensionable under the insurance principle was caused by the tortious act of a third person, would be placed in a preferred position to a serviceman who suffered a disability due to enemy action—this by reason of the fact that in the first case the man, in addition to being awarded pension for the full extent of his disability, could recover damages from the tortfeasor and retain such damages,

whilst in the second case the only compensation the man could receive would be by way of pension. Similarly, the widow of a serviceman whose death occurred under such circumstances, or the widow of a Classes 1 to 11 pensioner whose husband's death resulted from a tort or from an accident which involved payment of Workmen's Compensation, would be placed in a preferred position.

The background and history of this legislation is set out in more detail in Appendix "B", "C" and "D", pages 225 and 232 inclusive of the report of your Comimittee, dated May 12, 1960.

It should be noted that while the original Section provided for an assignment of a chose in action, which as regards simple damages is not assignable in any province except Quebec, the present Section merely empowers the Commission in its discretion to require the applicant to pursue a claim for damages and, when the result has been accomplished, to take the damages recovered and paid into consideration in fixing the amount of pension that can be paid under the Act. The effect of the amendment was to remove any suspicion of champerty which could arise under the old Section and the fact that the Commission was empowered to indemnify for costs could not be construed as maintenance in the legal sense in connection with the required damage action.

It may be observed that the Commission in any application in which these Sections might apply would be perfectly justified in deferring an award of pension until such time as the action involved or claim for compensation had reached a finality and, when this time arrived, determining the amount of pension that might be paid in the light of the damages or compensation recovered and collected. To adopt this course would, however, work a hardship on the applicant. In the experience of the Commission in cases of death, the widow and children are usually left without adequate resources, and in view of the fact that there might be considerable delay in an action coming to trial, to defer an award of pension pending the outcome of the action would work genuine hardship on the applicant. For this reason, the practice of the Commission is to make an award if the circumstances justify, and to direct that such award is made subject to future adjustment under Section 22 if it appears that the provisions of the Section apply. This has the effect of relieving any immediate distress that the applicant might be suffering. When the damages are recovered or compensation is awarded, the Commission reviews the award of pension and makes the necessary adjustments.

In order that the capitalized value of widows' pension might be determined, the Commission requested the Department of Insurance to prepare a table based on the monthly pension that the Statute provides for a widow. In preparing the table the Insurance Branch considered the value of a monthly pension payable to a widow until death or until remarriage, together with a remarriage gratuity equal to one year's pension, and subject to restoration (discretionary in cases of need) of the pension in whole or in part in the event of again becoming a widow within five years of remarriage. This table is the basis used by the Commission in determining the amount of pension that can be awarded a widow who has recovered damages or received compensation.

As a result of this legislation, the Commission carefully reviewed all cases in which an injury or death resulted from a tort. In some cases the pensioner or his dependants had already commenced an action for damages, or a claim for Workmen's Compensation had been lodged. In other cases, the Commission required action to be taken and indemnified the litigant for costs. The largest single amount that was secured by any one litigant was \$43,203.91, exclusive of costs; this was an action by a merchant seaman during war time taken in the United States. In addition, in one case \$40,000.00 was recovered; this was the case of the death of a peace time soldier which resulted from an aeroplane

accident in British Columbia, the accident being caused by faulty equipment on the plane on which he was a passenger as a result of military necessity, and the damages were paid on behalf of his widow and children. There were two cases in the neighbourhood of \$28,000.00, and one of \$24,000.00. In a few more cases damages of between \$10,000.00 and \$20,000.00 were recovered, but in the great majority of instances damages involved were small amounts varying from a few hundred to a few thousand dollars.

On November 13, 1942 the 'Lillian E. Kerr', a small schooner, was sunk when it was rammed by the 'Alcoa Pilot' which was travelling in convoy. An action was commenced on behalf of the owner of the ship, the owner of the cargo and the dependants of the seamen which included several widows, children and some dependent parents. This action resulted in the recovery of damages and interest of all claimants of \$179,700.75. The owner of the schooner and Bailee of the cargo recovered out of this sum approximately \$102,250.00, leaving approximately \$70,000.00 and interest for the death claims and for lost personal effects.

In the Canoe River train wreck a number of servicemen were injured or killed, and the Canadian National paid damages to them or their dependants. However, none of the payments were large.

During World War II and since, the Commission has a record of thirty-five cases of claims for widows and children where damages were involved under Section 20. In all of these the damages recovered were taken into consideration in adjusting the pension that could be paid. In some cases the widows elected to retain the corpus and have pension reduced. In others, the damages were paid over to the Commission and pension continued in payment at statutory rates.

In addition, there were forty-four cases of widows, or widows and children, where Workmen's Compensation was involved under Section 21. In such cases, the amount of compensation awarded was deducted from the statutory rate of pension that could otherwise be paid.

In one case a serviceman who was injured in an automobile accident during war time recovered damages totalling \$21,000.00. He and other passengers in the car who were not servicemen had sued and recovered \$88,575.00. In this case the capitalized value of the pension which the serviceman could have been awarded was \$6,792.00. He however, elected to retain the corpus and consequently no pension could be awarded.

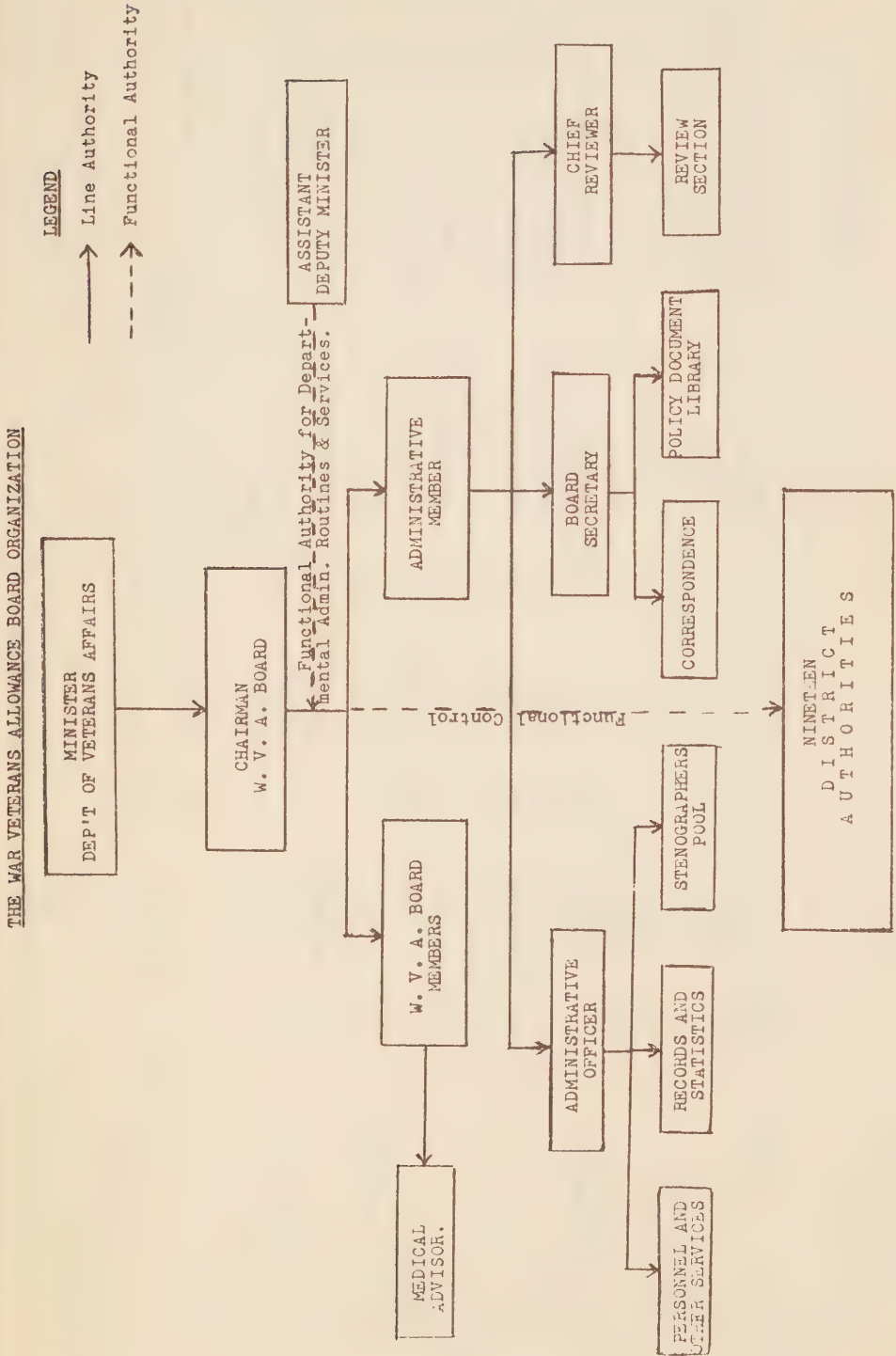
This will bring up to date the very detailed statement relative to these provisions of the Pension Act which appeared in the Minutes of Proceedings and Evidence of the Standing Committee on Veterans Affairs, dated May 12th, 1960.

I trust this meets the requirements of the Members of the Standing Committee.

Yours faithfully,

T. D. ANDERSON,
Chairman.

APPENDIX "B"



TOTAL WAR RECIPIENTS AND TOTAL ANNUAL LIABILITY BY PROVINCES AS AT MARCH 31, 1961.

	Veterans	Annual Liability	Section 5(1)	Annual Liability	Widows	Annual Liability	Orphans	Annual Liability	TOTAL	Annual Liability
		\$		\$		\$		\$		\$
Newfoundland.....	1,208	1,383,878.00	17	20,880.00	365	327,549.00	13	9,120.00	1,603	1,741,427.00
Prince Edward Island.....	685	718,514.00	14	19,109.00	159	141,572.00	4	1,920.00	862	881,115.00
Nova Scotia.....	3,501	3,550,771.00	85	115,137.00	1,174	965,628.00	23	9,708.00	4,783	4,641,244.00
New Brunswick.....	2,520	2,617,717.00	52	68,946.00	759	618,932.00	24	10,896.00	3,355	3,316,491.00
Quebec.....	5,194	4,793,299.00	154	202,600.00	2,409	1,781,046.00	26	9,627.00	7,783	6,786,572.00
Ontario.....	15,725	13,528,871.00	491	636,722.00	8,539	5,788,643.00	91	44,268.00	24,846	19,998,504.00
Manitoba.....	3,602	2,972,341.00	110	142,524.00	1,532	1,022,811.00	17	9,071.00	5,261	4,146,747.00
Saskatchewan and Eastern N.W.T.....	2,261	1,963,503.00	48	62,991.00	686	482,745.00	10	4,147.00	3,005	2,513,386.00
Alberta and Western N.W.T.....	3,496	2,989,834.00	79	103,509.00	1,179	817,416.00	21	14,400.00	4,775	3,925,159.00
British Columbia and Yukon.....	9,485	7,658,965.00	232	299,489.00	3,292	2,140,534.00	14	4,284.00	12,923	10,103,242.00
Foreign Countries.....	85	62,501.00	3	3,600.00	53	28,691.00	—	—	141	94,792.00
TOTAL.....	47,662	42,240,164.00	1,285	1,675,507.00	20,147	14,115,567.00	243	117,441.00	69,337	58,148,679.00*

* This figure differs from the total Annual Liability shown in the following table, because it does not include the Special Force or the Section 4 Item.

TABLE SHOWING RECIPIENTS OF WAR VETERANS ALLOWANCE, BY WARS, ON
STRENGTH AS AT 31 MARCH 1961, WITH ANNUAL LIABILITY.*Section 3*

	Veterans	Widows	Sec. 5(1)	Orphans	Total
N.W.F.F.....	7	33	—	—	40
South Africa.....	465	447	17	—	929
W.W. I.....	38,570	18,101	1,091	82	57,844
W.W. II.....	7,508	1,321	149	155	9,133
Dual Service.....	1,112	245	28	6	1,391
Special Forces.....	71	3	—	2	76
TOTAL.....	47,733	20,150	1,285	245	69,413

Section 4

TOTAL.....	132	1	—	—	133
GRAND TOTAL.....	47,865	20,151	1,285	245	69,546
Annual Liability: \$58,365,651.00.					

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

STANDING COMMITTEE

ON

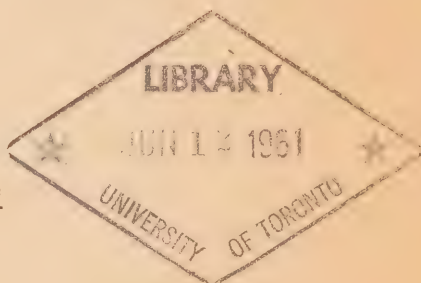
VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

MAY 30, 1961



ESTIMATES (1961-62) OF THE DEPARTMENT OF
VETERANS AFFAIRS

WITNESSES:

From the Department of Veterans Affairs: Mr. L. Lalonde, Deputy Minister; Mr. C. F. Black, Departmental Secretary; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board; Mr. R. W. Pawley, Director of the Soldier Settlement and Veterans' Land Act Branch.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Jones	Peters
Batten	Kennedy	Roberge
Beech	LaMarsh, Miss	Robinson
Benidickson	Lennard	Rogers
Broome	MacEwan	Smith (<i>Lincoln</i>)
Cardin	MacRae	Speakman
Carter	Matthews	Stearns
Clancy	McFarlane	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgeie	O'Leary	Weichel
Fortin	Ormiston	Winkler.
Herridge	Parizeau	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, May 30, 1961.
(20)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Carter, Clancy, Herridge, Jones, Kennedy, Lennard, Matthews, McFarlane, Montgomery, O'Leary, Rogers, Smith (*Lincoln*), Stearns, Winkler—14.

In attendance: Mr. L. Lalonde, Deputy Minister of Veterans Affairs; Mr. C. F. Black, Departmental Secretary; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board; Mr. R. W. Pawley, Head of the Veterans Land Act Branch; Mr. W. Thompson, Farm Service Division, Veterans Land Act.

The Chairman opened the meeting by quoting two paragraphs of a letter from the National Council of War Veterans Associations in Canada. He then asked Mr. C. Black to supply the answers to some questions asked previously.

The Chairman called again Item 461—*War Veterans Allowance Board-Administration*, and the Chairman of the said Board, Mr. W. T. Cromb, was called as a witness.

The witness was questioned on the administration of the Board.

Item 461 was adopted.

Item 462—*War Veterans Allowances* was called and adopted.

The Chairman called Item 471—*Soldier Settlement and Veterans Land Act, Administration*, and invited Mr. R. W. Pawley to make a statement.

The witness explained to the Committee the organization and operation of his Branch and was questioned thereon.

Mr. Herridge moved, seconded by Mr. Carter,

That the Chairman be empowered to designate the Chairman for the next meeting in the event that both the Chairman and the Vice-Chairman are absent. *Agreed.*

At 10.55 o'clock a.m. the Chairman adjourned the meeting until 9.30 o'clock a.m., Thursday, June 1.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

TUESDAY, May 30, 1961.

The CHAIRMAN: Gentlemen, would you please come to order.

Before proceeding with the work in which we were engaged at the last meeting, I would like to read two paragraphs into the evidence this morning. These two paragraphs are from a letter I received from Mr. E. A. Baker, chairman of the national council of veteran associations in Canada. The two paragraphs which I am about to read have to do with the army benevolent fund, and reads as follows:

We are aware of the representations on this subject made by the Canadian Legion to the standing committee on veterans affairs in May of this year.

Pursuant to discussions which I have had with representatives of several member organizations, I am now advising on behalf of our national council of veterans associations in Canada, that we endorse the legion's presentation which recommended 4½ per cent interest rate on the residue of army benevolent funds being used by the government of Canada.

Mr. Black has the answers to some questions which were asked, and I would ask Mr. Black to give these answers at this time.

Mr. C. F. BLACK (*Departmental Secretary, Department of Veterans Affairs*): Mr. Chairman, at the meeting on the 16th of May, Mr. Howe asked for the value of drugs written off by the department during a year, due to obsolescence or deterioration. We have the figure for the year ending March 31, 1961, and it was \$1,113.00.

Mr. Herridge inquired at the last meeting about the status of the orderlies at Sunnybrook hospital. The total number of orderlies is 336, and of those 255 are veterans. Of the 336, I would point out that 335 are Canadian citizens. The one orderly who is not a citizen served in the Royal air force from 1942 to 1948, when he was discharged with the rank of flight sergeant.

Part of Mr. Herridge's question had to do with their ability to speak English.

Mr. HERRIDGE: Or, French.

Mr. BLACK: We have this information, and I think it will be ample enough to answer your question. All the orderlies who are citizens are either native to this country, or are British subjects, or people who have been granted their citizenship since they came to this country. It is our understanding that before immigrants are granted citizenship, they have to satisfy a judge that they can speak English—and when I say that, I am referring to the Toronto area. All these orderlies are referred to us by the civil service commission after they have been examined by that agency, and the examination includes determining whether or not they speak English or French. We understand that in Toronto the civil service commission satisfies itself that they can speak English before they are qualified. I might say that no orderly is promoted out of the entry grade until he passes a written examination conducted in English at Sunnybrook hospital.

Mr. HERRIDGE: Thank you very much for that information. However, what interests me is the difference in the number of those who are veterans and the number who are non-veterans. Does that mean that there are not sufficient veterans seeking employment as orderlies who are qualified to take these positions?

Mr. BLACK: We have found, sir, that it is becoming increasingly difficult to obtain veteran applicants for the jobs which are in the lower categories.

Mr. WINKLER: I would assume that the veterans preference applies in the civil service, and that is it.

Mr. BLACK: Yes.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): Mr. Herridge, the only conclusion we can draw from the figures which Mr. Black has quoted is that there are insufficient veterans applying for this type of work to meet all our needs.

Mr. HERRIDGE: That is the point I was trying to make, and it would appear to be that way.

Mr. LALONDE: I am sure it is, Mr. Herridge, in many places. We experienced no trouble immediately after the war in filling all these positions with veterans, but as time went on we found it impossible to maintain the principle that only veterans would work in these positions. It would be impossible to give the service to our patients by adopting that policy.

The CHAIRMAN: Gentlemen, we had started on vote 461, administration, war veterans allowance board.

Mr. Cromb is with us again, today, and I will call upon him at this time. Mr. Cromb, if any of your staff are here today who were not available at the last meeting, I would ask you to introduce them.

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): There are no additional officials here, Mr. Chairman.

The CHAIRMAN: We were proceeding with questions and, if there are no further remarks which Mr. Cromb would like to add, we will continue with questioning.

Mr. ROGERS: Mr. Chairman, I was called out of the room last day, and I was wondering if Mr. Cromb could tell us the composition of the board—the number of members, and who they are.

Mr. CROMB: Mr. Chairman, I did include that in the statement I made.

There is a chairman, who is myself, and four members, namely, Mr. Cross, Mr. Mersereau, Mr. Roberge and Mr. LaVoie who are salaried. The deputy minister and Mr. Don Thompson, Dominion Secretary of the Canadian Legion, are additional members, and they serve as members of the board without remuneration. In addition, there is a total of 25 administrative, clerical and stenographic staff, who are classified civil servants.

Mr. ROGERS: I have one further question: Do the deputy minister and the secretary of the Legion sit in as observers?

Mr. CROMB: No. They do sit in. They are appointed by the governor in council, and they are full-fledged members of the war veterans allowance board. They attend meetings of the full board. The salaried members meet regularly in connection with the different cases but, on matters of policy—upon which we meet once every month or six weeks, depending on the circumstance or at the call of the Chairman—these additional members sit in as full members of the board.

Mr. ROGERS: Has the war veterans allowance board, and you, as chairman, the same status as the Canadian pension commission?

Mr. CROMB: Yes, Mr. Chairman, I believe that is the case.

Section 25 of the War Veterans Allowance Act does state that the chairman of the board has control and direction over the duties to be performed by the other members of the board and the duties to be performed by such members of the staff of the department as may be assigned to the board by the minister. Of course, the board is closely coordinated with the Department of Veterans Affairs, and many of the services are supplied by that department. However, in so far as the act is concerned, I believe that is right, Mr. Rogers.

Mr. ROGERS: Then the board has full and distinct powers of authority to adjudicate on all matters which come before it?

Mr. CROMB: That is correct. Of course, the chairman reports directly to parliament through the Minister of Veterans Affairs for the administration of the act. The minister himself is charged with the administration of the act, except for things as mentioned in section 29 which reads:

"except as to the power, authority and jurisdiction to deal with and adjudicate upon applications for allowances under this act, the Minister shall be charged with the administration of the Act."

Mr. ROGERS: Therefore, you are responsible to the minister?

Mr. CROMB: Yes.

The CHAIRMAN: Have you a question, Mr. Carter?

Mr. CARTER: Then you are different from the pension commission in that respect. The pension commission is not responsible to the minister, or am I wrong in that assumption?

Mr. LALONDE: I believe you have to make a subtle distinction. In so far as adjudication and interpretation of the War Veterans Allowance Act is concerned, I firmly believe the war veterans allowance board is in exactly the same position as the Canadian pension commission. With respect to administration, it is a different matter. But with respect to interpretation and policy-making and adjudication, I think the board is in the same position as the pension commission.

Mr. ROGERS: Was this act not revised in 1952? I mention this because I have had some arguments with different people about this, who say that the status of the war veterans allowance board is not the same as the pension commission, and that it has not the same power.

Mr. CROMB: Mr. Chairman, in 1952, the War Veterans Allowance Act was decentralized to the district authorities. District authorities were set up in order to adjudicate the applications made to them. It is under section 23(1) of the act that the district authorities were established. The personnel on these authorities are appointed by the minister, with the approval of the governor in council, and they have the powers to adjudicate on the act in the regions for which they were constituted. The war veterans allowance board has control and functional authority over those district authorities and, under section 28 of the act, can set aside any decision of a district authority. However, in so far as the region in which the district authorities are established are concerned, they have quite wide powers, and it is to the district authorities that first applications are made. However, the board is responsible for the administration and policy of the act right across the country.

Mr. HERRIDGE: Could I ask Mr. Cromb if he has the figures as to the number of veterans or their widows who have returned from countries outside of Canada during the last year in order to qualify for the war veterans allowance, because of the amended legislation.

Mr. CROMB: Mr. Herridge, I have no figures of any who have returned. There are 182 recipients who are living outside the country at the present

time and receiving war veterans allowances. I beg your pardon; I do have some figures here. During April, 1961, six veterans returned to Canada; two widows returned to Canada, and one veteran was deceased, overseas.

Mr. HERRIDGE: I mean those who returned in order to qualify by residing for 12 months in Canada.

Mr. CROMB: I do not know why they came back. Since there is only one veteran who died over there, there could not be more than one widow, if that is the case. I do not know why they came back, but it could be that they liked Canada better.

Mr. HERRIDGE: I know of one instance of a widow who returned to Canada in January; she intends to live in Canada for a year and then return to Surrey, in England, after spending the 12 months required in Canada.

Mr. LALONDE: Probably she was the widow of a veteran who was not receiving the war veterans allowance outside of Canada.

Mr. HERRIDGE: That is correct. They had left Canada and, of course, were disqualified; then, her husband died, and she returned to Canada, and she is living here for 12 months—she is in receipt of it—in order to qualify to receive it again, overseas.

Mr. LALONDE: Of all the veterans who left Canada under the legislation which was enacted last year, none of them would have been away long enough for the widow to need to come back.

Mr. CARTER: Mr. Chairman, I would like to revert to Mr. Rogers' line of questioning. Mr. Cromb has told us that the district authority adjudicates on the applications for war veterans allowances. My question is this: If the district authority grants the war veterans allowance, does it have to receive the approval of the commission before it goes into effect? Is that claim reviewed and confirmed by the war veterans allowance board before it is finally approved?

Mr. CROMB: No. The district authorities have full power to adjudicate and grant an allowance, but the board, through the files in the head office, will check all first awards. The board also checks the treasury referrals from an audit standpoint, and these may be referred to the board for review if they think there is something not quite in order. But the actual adjudication of an award may be done by the district authorities.

Mr. CARTER: The district authority is freely autonomous, unless there is an appeal from the district authority's judgment?

Mr. CROMB: That is correct.

Mr. CARTER: And that is the only occasion when the board as a board will come into the picture?

Mr. CROMB: Except when the board makes a review; if the board in reviewing picks up something which they do not feel is correct, the board may set it aside. Either on appeal, or on reconsideration the board may do that.

Mr. LALONDE: You have to visualize that there is a basic difference between the administration of pensions, and the administration of the war veterans allowance. It is that the pension administration is completely—or practically completely—centralized, whereas the war veterans allowance is decentralized. In order to achieve some uniformity across Canada, the board has to maintain some control over the rulings made by the various district authorities. That is why they have to review not all the decisions, but a percentage of them. But they still have the higher authority.

Mr. CARTER: Yes, I understand that. Are there any cases on record where a district authority has granted an allowance, and when upon review the war veterans allowance board has vetoed it?

Mr. CROMB: Oh yes, there are many cases where further evidence may come in, and the board will set aside the decision and reverse it. This happens quite frequently.

Mr. HERRIDGE: The chairman says quite frequently. I take it he is speaking in terms of both directions, the granting and the denying?

Mr. CROMB: Yes.

Mr. WINKLER: Is the deputy minister also a member of the pension commission? I know he is a member of the war veterans allowance board.

Mr. LALONDE: No, not at all.

Mr. WINKLER: Is there any reason for this, other than that it is stated in the act that it must be so?

Mr. LALONDE: That is the only reason I can think of. If parliament had decided that the deputy minister should be an *ad hoc* member of the pension commission, he would have had to accept it. But the act does not mention it.

Mr. WINKLER: And is this the case with the War Veterans Allowance Act?

Mr. LALONDE: Yes.

Mr. ROGERS: The deputy minister is a member of the war veterans allowance board, and that board also has a chairman. How does that fit together?

Mr. CROMB: The deputy minister, for liaison purposes of the war veterans allowance board does sit as a member and attend meetings of the full board as a member.

Mr. LALONDE: But he just has one vote, like every other member of the board. The chairman of the board is chairman of the full board.

Mr. ROGERS: Yes, and as deputy minister Mr. Lalonde is more or less representative of the minister, certainly in the administration of the act. Yet the chairman of the board in a sense has to report to him.

Mr. CROMB: That is not quite the way it is. The deputy minister is a member of the board, but the chairman of the war veterans allowance board has free access to the minister.

Mr. ROGERS: There could be no duress at all.

Mr. CROMB: There are many times when the deputy minister and the chairman of the war veterans allowance board have to work together on certain matters and frequently to see the minister together. But the chairman of the war veterans allowance board has direct access to the minister of veterans affairs.

Mr. McFARLANE: I was advised at a previous meeting that this item should come up under item 461. It is the case of a chap who served overseas from June, 1942 until October, 1945. Apparently at that time the discharge medical board gave him a clear slate, and the man stated that he had no complaints. A physical examination showed no evidence of pathology.

But in 1948 this war veteran contacted a clinic and complained of numbness and weakness in his ankles and knees. The neurological examination was negative at that time. But in July of 1949 it was noted that the ankles and feet were cold to the touch. Yet again a physical examination was completely negative. I think I am correct in saying that medical men are of the opinion that this type of sickness, as a matter of fact, occurs with progressive latency. Is there any possibility of having this matter reconsidered at the present time? He is a war veteran, and this multiple sclerosis has settled in? Is this impossible, in view of the fact that it has not been quite two years after his discharge?

The CHAIRMAN: You are asking Mr. Cromb if the board would reconsider this case?

Mr. LALONDE: Are you sure that you are not thinking in terms of pension now?

Mr. McFARLANE: Well, this advice came from the Canadian pension commission. I was advised to bring this up under item 461. This happened at a previous meeting. I do not know if he is eligible now for pension or for the war veterans allowance.

Mr. LALONDE: Is he under sixty?

Mr. McFARLANE: Definitely, yes.

Mr. LALONDE: If there is medical evidence that he is permanently unemployable, then he may become eligible for the war veterans allowance. The board would have to rely on the medical evidence which is produced before the board to determine whether or not he comes under that section of the act. I want you to realize that this is completely separate from the Pension Act, because only the pension commission can deal with a pension which is not subject to a means test.

Mr. McFARLANE: At a previous meeting I brought this up and I was advised to bring it up again under item 461. That is why I am bringing it up now.

Mr. LALONDE: My suggestion is that you give the regimental number and name of this veteran to the chairman of the board, and I am quite sure Mr. Cromb would be glad to follow it up.

Mr. McFARLANE: That is fine. He has reached the stage now where he is practically unable to work because of the progressive nature of the disease.

Mr. LALONDE: If there is a pension angle to the case, Mr. Cromb would refer it to our chief pensions advocate.

Mr. CROMB: I would be very happy to do so. It may be, that his active service in a theatre of actual war would need verification, unless he is in receipt of a pension. But if you will give me his name, I will be very happy to look into it.

Mr. LENNARD: A bad habit is creeping in here of taking up individual cases at these meetings. Years ago the committee ruled that we should not do so, and we never did it.

The CHAIRMAN: We do not pursue it very far. I think when a member has a particular case on which he wants a little information, we should not shut him off.

Mr. CARTER: The deputy Minister mentioned a veteran being unemployable, and a veteran under sixty. Has there been any change in the interpretation of the word "unemployable" in recent years?

Mr. CROMB: No, Mr. Carter, there has not been any change. It is a matter of insuring that he is permanently unemployable from a fairly long diagnosis, which shows that he will not be employable for a considerable period of time.

Mr. CARTER: When you say "unemployable", it does not matter whether or not he is unemployable in the place where he is living, so long as he may be moved, perhaps a thousand miles, to where he may do some light work?

Mr. CROMB: No. It is combined with economic handicaps; the two things are taken together.

Mr. CARTER: That takes into consideration his employability in the area where he is?

Mr. CROMB: That is correct.

Mr. HERRIDGE: I would like to ask one question so it will be in the record, because I think it would help a lot of veterans who are in receipt of the war veterans allowance. I have in mind a recipient of the war veterans allowance whose wife is much younger than he is. She, if possible, would like to get part-time work as a teacher, because she is a teacher by profession. If it were possible for her to get a year or two of teaching work, she might assist her husband financially. But this couple is very anxious to comply with all the regulations of the board and not be put in a position of being unable to receive the war veterans allowance whenever they require it. Would you please explain to the committee just what a veteran in such circumstances should do?

Mr. CROMB: Mr. Herridge; if the veteran's wife would like to take on employment which would bring in an amount of money more than the ceiling permits under the act, the income of the veteran and income of his wife are taken in combination, and he would go off the war veterans allowance. But at any time when she ceased to work, he would be able to come back on again from that point.

Mr. HERRIDGE: Suppose she was in receipt of a salary for 1960, the full year, and she then ceased to work, and he applied for the war veterans allowance in January. Would that year's salary be taken into account?

Mr. CROMB: Well, while he would be working, she would have an income and he would not be able to receive the war veterans allowance under the act, because their income would be greater than the act would permit. But as soon as she stopped working, and he filed a new application, then, provided their means fell within the means test of the War Veterans Allowance Act, he would be put back on again.

Mr. LALONDE: I think your point is that this would be the start of a new war veterans allowance year for that veteran.

Mr. HERRIDGE: That is right. The earnings of the previous year, provided in other respects they were qualified, would not prevent their receiving the war veterans allowance after a new application?

Mr. CROMB: That would be after a new application.

Mr. McFARLANE: I take it that the War Veterans Allowance Act is subject to a means test, if the wife is working.

Mr. CROMB: Yes. It combines the income of the man and his wife to a very definite extent.

Mr. CARTER: I wonder if the chairman or the deputy minister have had their attention drawn to a letter which appeared in one of the Ottawa newspapers a couple of days ago. It is implied that there had been a change in the interpretation of casual earnings. This fellow was an accountant, and I think he travelled around and did some bookkeeping. This has been ruled as casual earnings. Then suddenly this ruling was changed.

Mr. CROMB: I know the letter, and I read it. The man's complaint was as to depreciation. There was a change which I believe was mentioned in the letter. This change was made as of January 1, 1961. Previous to that time, casual earnings had been permitted up to \$600 in one year, figured at \$50 per month. But a change was made, putting it on an annual basis, and making the limits \$600 for a single recipient, for any one veteran's allowance year, and \$900 for a married recipient in any one year, both being figured on an annual basis. Previously it had been on a monthly basis of \$50 a month. This man was complaining about what had happened before this new formula went into force.

Mr. CARTER: Did that problem arise out of a change in the act, or out of a change in the regulation?

Mr. CROMB: No; it was a change in instructions, or in the interpretation of what the board considered to be casual earnings.

Mr. CARTER: Are monthly earnings from now on ruled out as casual earnings? I understood that a person could earn up to \$50 a month.

Mr. CROMB: In the present formula we have defined full-time employment, and if that full-time employment is carried on over a period of more than four consecutive months, it is fully assessable as income. But in respect to monies earned out of part-time employment, this may be considered as casual earnings up to \$600 for a single recipient, or \$900 for a married recipient in any one year. What may be deemed to be casual earnings is completely exempt under 6 (1) (d) of the act; but the full-time employment of more than four consecutive months is fully assessable.

Mr. CARTER: I gathered from this letter that he was beefing because this change had been made in the regulations.

Mr. CROMB: No. It was a matter of depreciation, in respect to the amount which the man wanted to depreciate, which was not permitted under the act.

Mr. HERRIDGE: Are the regulations with respect to casual earnings lengthy? If they are not, I think it would be important to have them included in our minutes.

Mr. CROMB: I gave the committee, on the first morning, copies of the information booklet with the new sticker in them.

Mr. HERRIDGE: Is it up to date?

Mr. CROMB: Yes, it is up to date. There is a sticker in here.

The CHAIRMAN: Are there any further questions on this item?

Item 461 agreed to.

Item 462: War veterans allowance \$59,845,000

I think this has been pretty well discussed already.

Item 462 agreed to.

now we come to Soldier Settlement and Veteran's Land Act.

Item 471: Administration of Veteran's Land Act, Soldier Settlement and British family settlement \$4,982,050

I now call upon Mr. R. W. Pawley. Thank you very much Mr. Cromb, and your staff.

Mr. CROMB: Thank you.

The CHAIRMAN: The vote is 471, administration.

Mr. SMITH (*Lincoln*): Have we dealt with item 465?

Mr. LALONDE: Not yet, no.

The CHAIRMAN: No; that is at the bottom of the page. It is under miscellaneous.

Mr. Pawley, have you a statement you would like to make? If so, would you do it now? Also, you might introduce your staff.

Mr. PAWLEY: Mr. Chairman, and gentlemen, I would like to introduce my staff, but only one at this time. With your permission, sir, if the others are called upon or if I have to call upon them, I will introduce them at that time.

The CHAIRMAN: Very well.

Mr. PAWLEY: Mr. McCracken is on my right. He is the senior administrative officer of the Veterans Land Act branch.

During my appearance before this committee last year, I outlined the changes in our organizational setup which had been put into effect in order to cooperate with the farm credit corporation in handling an anticipated large volume of work for that organization as well as the substantial increase in loaning operations which we expected under the Veterans' Land Act. Perhaps it would be useful if I reviewed briefly the organizational arrangements which were made—

- (a) The field staffs of both organizations were unified, providing a total of approximately 200 Credit Advisers across the country. Of this number, 175 were on the strength of the veterans land administration during the course of 1960. Regardless of which organization paid their salaries and travel costs, and exclusive of the work performed by part-time appraisers engaged by the corporation, the credit advisers performed all of the farm work within their field areas for both organizations and, as such, had a double responsibility.
- (b) As a means of assisting the credit advisers to cope with the heavy volume of work encountered, they were relieved of virtually all matters pertaining to small holding settlement. This latter workload was handled by approximately 60 V.L.A. settlement officers, including a number of our construction supervisors who operated in a dual capacity.
- (c) Having regard for the double responsibility of the credit advisers, and the paramount need to ensure consistency of interpretation and application in the field of the instructions issued by both organizations, the majority of our V.L.A. regional and assistant regional supervisors were made credit supervisors with each, on an average, being responsible for the direct supervision of six credit advisers. The number of credit supervisors on strength during 1960/61 totalled 36, of whom 19—who were formerly employees of this administration—were on the strength of the farm credit corporation.

In addition to these organizational changes pertaining to staff, arrangements were also made whereby the established administrative services of this administration in the field were placed at the disposal of the farm credit corporation. These services included such items as the provision of serial photographs, telephones, secretarial help, field office accommodation, equipment and furniture.

The heavy volume of workload experienced in 1960 was certainly not less than anticipated. Apart from services performed by part-time appraisers engaged by the farm credit corporation, the joint field staff of credit advisers carried out 7875 farm appraisals. Of this number, 4116 were carried out for the corporation by credit advisers on the strength of the veterans land administration who also processed a large proportion of the 10,620 applications for assistance which were made to the corporation. In addition to their appraisal workload, they also serviced farmers in their field areas, to the extent possible, on other matters when requested.

The financial arrangement made with the corporation was that it would remit to V.L.A., for each appraisal made on its behalf by a V.L.A. employee, one-half of the appraisal fee paid by each applicant for a loan under the Farm Credit Act. In the vast majority of cases, this represented \$25. Based on this arrangement, the corporation remitted for services performed in 1960/61 the sum of \$107,587.

Because the corporation has engaged a number of new field staff during the past six months and a number of credit advisers have transferred from the veterans land administration to the corporation, it is anticipated that the payment to be received from the corporation for work performed in the current

fiscal year will be \$88,000. Neither the amount received for work performed last year, nor the amount it is estimated we will receive for work performed in 1961, is reflected in our estimate figures, which show gross administrative costs.

A survey of the credit requirements for V.L.A. farmers concluded in early 1959 estimated that 10,000 of them needed additional money. Over 20% of this group have received additional loans since the amendments to Part III became effective in August, 1959. A total of 1649 additional loans to farmers were made last year, as compared to 939 in 1959/60, and we forecast a similar number for the current year. The average amount of the loans approved last year was \$8,150—which was substantially higher than the amount estimated as being required in the 1959 survey.

In addition to those who received additional loans, there were 319 new farm establishments last year as compared to 320 in 1959/60.

There was no significant change in the number of small holding approvals—1750 as compared to 1797 the previous year. The change in the minimum acreage will cause an estimated increase in numbers established by 20% during the first year and 40% the second year, compared to 1960/61. New construction starts of homes on small holdings compared to the previous year increased by 215. The total new construction starts, including those for part II, was 1561 as compared to 1436 in 1959/60. There were 90 fewer veterans who took advantage of the part II housing provisions of the Act during the past year.

Increased loans to farmers and the existing economic circumstances which concern all veterans have caused a vigilant approach to arrears of due payment and taxes. The farm arrears situation as of March 31 this year is 2.7% better than at the same time last year and stands at 10.3% not collected to total due as against 13%. It is interesting to note that the three prairie provinces have improved their arrears standing in relation to last year and, as quotas continue to increase in Saskatchewan and Manitoba, the amount outstanding is being steadily reduced. Small holding arrears are at about the same level as a year ago. The gross amount of arrears for all accounts at March 31 was \$637,805 which is \$79,908 less than at the same date in 1960.

Tax arrears for all accounts are estimated in the vicinity of two million dollars. I have some concern about the amount of tax arrears and feel that, while many taxing authorities are taking adequate measures in this connection, others are depending on the Director to protect their interests. Our administration is reluctant to become a collection agency for taxes and is endeavouring to convince municipalities of their responsibility to prevent an accumulation of tax arrears.

The experience of the farm credit corporation in the use made by farmers of life insurance to protect their mortgages has been studied. Implementation of this form of protection may require an amendment to the act. It is my opinion that sufficient need and interest is shown in coverage of this nature to warrant further study.

The effect of providing greater financial assistance to farmers has been followed with interest. Use made of additional loans during the past year is as follows:

Land	67.3%
Permanent Improvements	11.8%
Livestock	9.6%
Equipment	11.3%

The average gross debt of farmer veterans who received loans amounts to \$8,854 against average gross security of \$19,330. This indicates a favourable balance of risk for the lender and a strong financial base existing for the farmer. There are some weaknesses.

Many farmers have considerable difficulty in preparing a proper, yet simple, analysis of their farm business without receiving considerable assistance from our field officers. There is need for greater awareness on the part of farmers to appreciate the importance of farm accounting and planning. In some cases when debts have been consolidated, this has re-established the farmer's credit rating, with the result that once again he is committing himself to debts of a short-term nature. Long-term credit is and should be supplemented by short-term credit but, unless a proper balance is maintained in direct relation to the ability of the farm to repay, the annual commitments may become too onerous. Pre-loan counselling is of prime importance but the problems developing after the loan is made are sufficiently significant to emphasize the necessity for continuance of post-loan advisement.

During the past year, after spending time in each of our Canadian provinces, talking with veterans and our field staff, studying specific problems that reach our head office, and observing the economic trends as they affect agriculture, I am completely convinced that the attributes of farming are very complex. The practical requirement of our advisement services being available to farmers borrowing large sums of money, during a three-year period or longer subsequent to the loan, seems to be evident. Unfortunately, our staff have not found it possible to give post-loan service to farm veterans during the past year. Approximately 10% of our veterans could be classed as not being fully and successfully rehabilitated. The need to properly deal with both these groups of veterans in a manner which may give a better chance of success is an important consideration.

A summation of organizational changes and workload activity may be enumerated as follows:

- I. The farm field work for the Veterans' Land Act and the farm credit corporation is handled jointly by the same credit adviser in each individual field area. These men are specifically trained in farm appraisal techniques, farm loan counselling and documentation. Field offices are established in each area.
- II. The small holding and construction activity in the field is under the control of settlement officers and construction supervisors. While in most cases settlement and construction are undertaken by separate men, as time goes on as many as possible will function in a dual role. These men are continuously being trained along up-to-date appraisal techniques. Recruitment when possible is made from the clerical staff who show ability for this type of work.
- III. Supervision of field staff handling farm workload is broken down to conform fairly closely to what was formerly known as regional areas. There is approximately one supervisor to six credit advisers. Supervision for small holding field staff has been done largely from district offices. The anticipated increased activity for the current year may require some form of additional supervision in the more heavily populated areas.
- IV. Administrative control, collections, housekeeping work, records are centred at the district offices. The flow of work goes directly to these offices thereby reducing the time for action or decisions. Veterans are coming to the established offices for interviews and visits are not being made unless necessary or unless appropriate action cannot be accomplished by correspondence.

The veterans land administration has proven to be flexible and has provided a successful loaning service to the Canadian farmer. Veterans have responded favourably to the changes. Once again our administration faces an

increased workload due to a change in the part-time farming minimum acreage requirements. With a staff that is well-trained, cooperative, and which—as evidenced by the heavy workload they handled last year—has always demonstrated a willingness to work more than regular civil service hours, I am confident our increased activities will be handled efficiently and expeditiously with limited need for additional personnel.

The CHAIRMAN: Thank you very much, Mr. Pawley.

Gentlemen, the meeting is opened, now, for questioning.

Mr. CARTER: May I ask the witness how many of the soldiers who have been settled under the Veterans Land Act are in receipt of war veterans allowance?

Mr. PAWLEY: Mr. Carter, I do not think we have that answer for you. I am not too sure whether we can obtain it; however, we can try.

Mr. McCracken: Although I have not the figure we do know that there are a number who are in receipt of war veterans allowance because they are meeting their payments to the director out of this allowance. However, that would not indicate the number which you requested.

Mr. CARTER: Could I reverse the question and ask you how many that have been settled under this legislation are making a living out of it, and do not require any supplementation from war veterans allowances?

The CHAIRMAN: That could be only a guess.

Mr. McCracken: I do not know; possibly 99 per cent.

Mr. CARTER: Have you no figures in that connection? I think it would be interesting to know how many are making a success, and how many are not.

Mr. LALONDE: I do not think you can relate the proof of success to war veterans allowances, Mr. Carter, because the type of case which is established under the Veterans Land Act and is also in receipt of war veterans allowances would have to be limited to a veteran who was over 60 years of age, or else was unemployable, and, therefore, I think this would be limited mostly to veterans owning small holdings rather than farms.

Mr. CARTER: Oh, yes, I agree with you.

Mr. HERRIDGE: Mr. Chairman, I was very interested in the director's reference to the fact that the change in the regulations—and, I presume by that, he meant the reduction of the acreage of small holdings—increased applications by about 20 per cent in the coming year and that it will be about 40 per cent next year. To quite an extent, this is due to the excellent efforts of the Legion branches in the Kootenays since 1946. Have the regulations been completed, and have they been announced?

Mr. LALONDE: The submission is still before the governor in council.

Mr. HERRIDGE: Is it expected that an announcement will be made in the near future?

Mr. LALONDE: I would hope so.

Mr. ROGERS: I think, as well, that the Royal Canadian Legion deserve some credit.

Mr. HERRIDGE: But, the west Kootenay branches of the Canadian Legion, particularly.

The CHAIRMAN: Are there any further questions?

Mr. SMITH (*Lincoln*): Is there any place to which the veteran can go to obtain legal advice concerning the Veterans Land Act?

Mr. PAWLEY: Although we have solicitors on our staff, sir, these men are not in a position to give legal advice on matters pertaining to V.L.A., or

anything related to it, of a personal nature, and probably even of a legal nature, because they are employed by the department. We always advise a veteran to seek his own legal advice for any problem of this nature.

Mr. SMITH (*Lincoln*): I am thinking about the Musso case, and I am sure you will remember it. That is a case where the estate was worth \$40,000; it was sold for \$32,000 cash and the veteran, who is a lady, got about \$6,000 out of it. Her husband got \$8,000, and the rest of it went for expenses.

Mr. WINKLER: Obviously she should have consulted the honourable member from Kootenay west.

Mr. HERRIDGE: Thank you for the compliment.

Mr. SMITH (*Lincoln*): It seemed that every place she turned, she was beaten down, and I wondered if there was a place where a veteran could go and obtain some guidance.

Mr. LALONDE: Mr. Smith, I think this applies to every facet of life. We have some solicitors in our field offices who do the work of the department. But, we cannot become involved, as a department, in straight legal aid. As you well know, bar associations, or the benchers society within our province, have a setup to provide legal aid to all citizens who cannot afford to pay, and I believe that this is the proper place for veterans or dependents to go for purely personal legal aid. I would not expect that any one of our lawyers would attempt to counsel veterans or their dependents on legal matters which do not involve their straight relationship with the department because, if they gave the wrong kind of advice, then the crown could be held legally liable.

Mr. SMITH (*Lincoln*): In this case there was about \$3,000 or less owing on a mortgage and, when the sale was made, the money went to the Veterans Land Act. They took their \$3,000 out of it and turned it over to the sheriff. When they got through with it, that was all the veteran received.

Mr. LALONDE: That is the only legal way to do it. The administration of the Veterans Land Act has no justification for holding on to money that does not belong to the director.

Mr. SMITH (*Lincoln*): Well, I suppose that it does come down to a point of law, and that that is the only way you can do it. Nevertheless, there is that case, and I know of another one which was similar in nature, where the veteran had quite a stake, and by the time the lawyers got through with it, it was pretty well gobbled up.

Mr. JONES: It would not be gobbled up in legal fees, but probably in judgments obtained by other persons against the property. I would think that in any case where such problems arise and constituents come to you for assistance, you would be well advised to tell them to have their bills taxed by the courts in order to make sure that they are not being overcharged.

Mr. SMITH (*Lincoln*): There is something like \$13,000 which went out in legal fees, on the basis of something like \$30 an hour, as well as \$15 for a phone call, and a whole lot of things like that.

Mr. JONES: In a case like that, I think you should advise them to have them taxed, because no taxing officer allows \$15 for a phone call.

The CHAIRMAN: Gentlemen, I think we are getting away from the subject here.

Are there any further questions under 471, administration?

Mr. CARTER: Do you have different categories in which the veterans who are benefiting from the Veterans Land Act fall? Are they classified in different ways? For instance, do you have different classes of veterans according to the amount of land they hold, the amount of loan, or in any other way?

Mr. PAWLEY: Mr. Chairman, the classes of veterans which, I presume, Mr. Carter is referring to are, firstly, the full-time farmers who are on farms. The size of that farm can be almost any size, as long as it is certified as a farm in an economic farming unit. Then, we have the small holdings; at the present time this is two acres, and it is being amended by order in council back to half an acre. This applies to all small holders who have employment elsewhere and do not depend upon the land to make their living. Then we have commercial fishermen. The size of the land may be just a small lot, such as a city-sized lot. Then we have the veteran on provincial land. These may be farms of any size. In general there are 50 acre parcels with 10 cleared, and they can extend up to a quarter section, a half section, or more than that. Then there is the dominion land settlement, which is quite comparable to provincial land; and we have the settlement of Indians on reserves. This may be of any size down to half an acre, or a city lot. Part two of the act has to do with city-sized lots. I think that pretty well covers it.

Mr. CARTER: Do you have any statistics in respect to the full-time farmer as to what his average income would be, or something like that?

Mr. PAWLEY: I shall have to call on Mr. Thomson, who is assistant superintendent of our farm service division. I wonder if he would come up from the back of the room and answer this question if he has the information available?

Mr. W. THOMSON (*Assistant Superintendent of the Farm Service Division, Veterans Land Act Branch*): We have not actually figured out or included the income from farmers in general. The only income which we have calculated is income from the additional loans under the new part three legislation, and we have that broken down under gross receipts, expenditures, and the net return, on these particular files. For instance, in British Columbia the total receipts from farm products would be \$12,630. This has to do with those farms which have this newer type of loan.

Mr. CARTER: That is the figure per farm?

Mr. THOMSON: That is right. The grand total of expenditure would be around \$7,970, giving the farmer a cash return of \$4,490.

In the Atlantic provinces our average there is as follows: total receipts from farm produce, \$10,160; grand total expenditures \$6,930, making a cash return to the farmer—and this represents the return to him for his labour, and for him to make his payments, amounting to \$3,200. This would represent the better farmers who have received the new part three loans; and they represent something like 1,600 accounts, which have been processed to date, and which have had additional loans.

We expect from our calculations that perhaps 10,000 of our farmers will be asking for additional loans, and that with this additional money we will be able to bring their income up into this kind of bracket.

Mr. CARTER: I am very pleased with these statistics. I think they are very good. I am trying to compare them mentally with what we call the family farm. I wonder if you have any figures which would give the average size of this land?

Mr. THOMSON: You mean in terms of acres?

Mr. CARTER: Yes, as compared to what we call a family farm.

Mr. THOMSON: Yes, we would have the number of acres.

Mr. HERRIDGE: I think this is evidence of excellent selectivity, because it averages much higher than the average for farms in Alberta.

Mr. THOMSON: In the Atlantic provinces the average of cultivated acres would be 100; and with these farms in the Atlantic provinces the total value—I mean the agricultural value of the farm would be around \$11,000.

Mr. ROGERS: What about Alberta and the west?

Mr. THOMSON: In Alberta the cultivated acreage would be 330, the total acreage would be 502, and the agricultural value of the farm would be around \$18,000.

Mr. ROGERS: What about the revenue?

Mr. THOMSON: As to the revenue in Alberta, the total received from farm produce on that size of farm, for that value, would be \$10,000; the grand total of expenses, \$6,600; and the cash return for labour and payment, \$3,400.

Mr. CARTER: Thank you very much. Those are very useful figures.

The CHAIRMAN: Are there any other questions?

Mr. HERRIDGE: I see that Mr. Lennard is getting restless.

The CHAIRMAN: Before anybody else leaves, I would like a few moments of your time.

Mr. ROGERS: I was interested in the small holdings, and in what you said the arrears amounted to.

Mr. CARTER: I was wondering if we could get comparable figures for commercial fishermen?

Mr. PAWLEY: I think it would be very difficult to get comparable figures for commercial fishermen, because the fishing industry has changed so much from the single commercial fisherman to the men who now serve on draggers. I believe that in Newfoundland these figures could be obtained with a little bit of research. It might prove rather interesting. We do not have them now, but I think we could work something up on it and probably provide you with some of that information.

Mr. CARTER: I would appreciate any information you could give. I am certainly most interested in how commercial fishermen are making out as compared to farmers.

Mr. PAWLEY: Then we will do it, sir.

Mr. ROGERS: Did I understand the director to say that there were \$637,000 of arrears in small holdings?

Mr. McCracken: All told.

Mr. ROGERS: That is the debt?

Mr. PAWLEY: No, that is the total arrears of everything, small holdings, farm civilian purchase agreements, commercial fishermen, and everything that we have.

Mr. ROGERS: What is the position of the small holder arrears-wise?

Mr. PAWLEY: The standing as of May 20, 1961 shows that total arrears as of March 31, were \$79,772.

Mr. ROGERS: How many of them were small holders?

Mr. PAWLEY: I am sorry; plus this last year's figure it would make a gross of \$85,855.

Mr. ROGERS: That \$85,855 is in terms of monthly payments which are in arrears?

Mr. PAWLEY: Yes, sir.

Mr. ROGERS: How many small holders are there?

Mr. PAWLEY: That represents 30,514.

Mr. CARTER: Have they been in arrears for very long?

Mr. PAWLEY: It fluctuates. The arrears situation has remained pretty constant during the past five years and in spite of unemployment this year it has changed very little. You will find that the pattern is there, and that there will always be a certain percentage in arrears, but necessarily the same people.

Mr. ROGERS: What would these arrears average at? Would it be about three months?

Mr. McCRACKEN: I can bring you right up to date. On May 20, 1961, for small holders, we had 2,918 in arrears out of 30 some odd thousand.

Mr. HERRIDGE: I think that is a wonderful record.

Mr. McCRACKEN: The majority of our payments now are running about \$28.00 a month. The average used to be \$19.95; and for those veterans getting part three loans, the figure is up around \$38 per month. Of that figure of 2,918 who are in arrears as of May 20, 1961, the payments are pretty well split. They become due on the first of the month or the 15th of the month; and of the 2,918, the actual dollars arrears as of May 20, would be \$123,000, or almost \$124,000. This is because you have a continual number of veterans who pay five to ten days later; and of the 2,918 veterans who were in arrears, there were 451 veterans who owed between \$50 and \$100, and we had 240 veterans who owed us in excess of \$100. So you have a very limited number whose arrears are actually in excess of three months.

Mr. KENNEDY: Do you have the total figure broken down regionally?

Mr. McCRACKEN: Not here. We have that information, but we do not have it here.

Mr. O'LEARY: You have tax arrears reported of \$2 million. What percentage of this would belong to the small holders?

Mr. McCRACKEN: It would be a guess, but I would say approximately 50 per cent. I would be inclined to think it would go to 50 per cent.

The CHAIRMAN: Gentlemen, it is getting very close to the time when we must adjourn. It appears that there is still quite a lot of work to be done under this item of Soldier Settlement and Veteran's Land Act. I cannot be here on Thursday, and as far as I can ascertain, the deputy chairman cannot be here. So I would like authority from the committee to authorize me to select a temporary chairman for the Thursday meeting. Are you willing to give me that authority?

Mr. HERRIDGE: I so move.

Mr. CARTER: I second the motion.

The CHAIRMAN: It has been moved by Mr. Herridge and seconded by Mr. Rogers that I, as chairman, select someone to act as temporary chairman next Thursday. The reason I ask for this authority is that the clerk sometimes has to make previous arrangements. For instance, perhaps the deputy minister or Mr. Pawley might not be able to be here. Therefore, if you had to wait to select a chairman at the Thursday meeting, the clerk might find himself in hot water, should he have to make previous arrangements. Is the motion agreed to?

Motion agreed to.

Mr. HERRIDGE: Before concluding, may I say that I have a number of questions to ask on the application of the question of mineral rights under the Veteran's Land Act. I shall give the director a series of questions to which he may give answers at the next meeting.

Mr. PAWLEY: I should be glad to do so.

Mr. CARTER: Might I suggest that the regulations Mr. Cromb referred to should be made a part of today's record, because the stickers might not be available to many veterans who would be reading our reports. I refer to the new regulations.

Mr. JONES: The booklets are available to anyone who wants them.

Mr. CARTER: Yes, but there have been some changes made in them.

Mr. HERRIDGE: I believe it would be of great help to legion secretaries. I think it would be very informative.

The CHAIRMAN: Would it be much of a job to have them copied?

Mr. CARTER: Do you require a motion for it, or is it agreed?

The CHAIRMAN: They are going to see if they can get a copy. If so, it could be made available for Thursday and we could put them into the record at that time.

Mr. LALONDE: They might be placed on the record on Thursday.

Mr. CARTER: I think it would be more convenient if we had them in today's record.

The CHAIRMAN: The meeting is now adjourned until Thursday morning, June 1st, at 9.30 a.m.

HOUSE OF COMMONS

Fourth Session—Twenty-fourth Parliament

1960-61

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JUN 14 1961

UNIVERSITY OF TORONTO

STANDING COMMITTEE

ON

VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

JUNE 1, 1961

ESTIMATES (1961-62) OF THE DEPARTMENT OF VETERANS AFFAIRS

WITNESSES:

From the *Department of Veterans Affairs*: Mr. L. Lalonde, Deputy Minister; Mr. W. T. Cromb, Chairman, War Veterans Allowance Board; Mr. R. W. Pawley, Director, Veterans Land Act Branch; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. R. Holmes, Superintendent, Securities and Property Division; Mr. W. Strojich, Superintendent, Farm Service Division.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Jones	Peters
Batten	Kennedy	Roberge
Beech	LaMarsh, Miss	Robinson
Benidickson	Lennard	Rogers
Broome	MacEwen	Smith (<i>Lincoln</i>)
Cardin	MacRae	Speakman
Carter	Matthews	Stearns
Clancy	McFarlane	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler.
Herridge	Parizeau	

R. L. Boivin,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, June 1, 1961.

(21)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Vice-Chairman, Mr. D. V. Pugh, presided.

Members present: Messrs. Benidickson, Carter, Forgie, Herridge, Jones, Kennedy, Lennard, MacRae, Matthews, McIntosh, McWilliam, O'Leary, Pugh, Robinson, Stearns, Thomas, Weichel, Winkler—(18).

In attendances: From the Department of Veterans Affairs: Mr. L. Lalonde, Deputy Minister; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board; Mr. R. W. Pawley, Director of the Veterans Land Act branch; Mr. A. D. McCracken, Senior Administrative Officer; Mr. H. R. Holmes, Superintendent of the Securities and Property Division; and Mr. W. Strojich, Superintendent of the Farm Service Division.

The Vice-Chairman opened the meeting and requested permission to adjourn the Committee at 10.45 o'clock a.m., in order to call a meeting of the Steering subcommittee for the purpose of preparing the agenda on Bill C-101.

The Vice-Chairman again called item 471—*Soldier Settlement and Veterans Land Act*, and the Committee interrogated the witnesses thereon.

The Committee agreed to reprint (*See Appendix "A"*) a table submitted by the Department and entitled "Arrears as of May 20, 1961 for V.L.A. Full Time Farming, Commercial Fishing, Small Holding and Civilian Purchaser Accounts".

Item 471 was adopted.

Items 472, 473, 474, 475, 476, 494, 495, 465 and 467 were severally called and adopted.

The Vice-Chairman called again Item 453—*Departmental Administration*, which was adopted.

On motion of Mr. Carter, seconded by Mr. Lennard,

Ordered,—That the Estimates as adopted be referred back to the House.

At 10.30 o'clock a.m., the Committee adjourned to the call of the Chair.

R. L. Boivin,
Clerk of the Committee.

EVIDENCE

THURSDAY, June 1, 1961.

The VICE-CHAIRMAN (*Mr. Pugh*): Gentlemen, we have a quorum. Would you please come to order.

It is my understanding that the war veterans allowance bill will be up here shortly, and the suggestion is that we start on it possibly next Thursday.

Would the steering committee meet this afternoon at, say, four-thirty, here in this room, please? Would that be convenient?

Mr. HERRIDGE: Could we adjourn this meeting at, say, ten minutes before eleven, and meet at that time?

The VICE-CHAIRMAN: That will be fine. We will adjourn this meeting at a quarter to eleven.

Mr. HERRIDGE: I think Mr. Lennard would agree to that.

Mr. LENNARD: I am not on your steering committee.

The VICE-CHAIRMAN: At the close of our last meeting we were on item 471, but before proceeding to that, Mr. Cromb, from the department, has a statement to make on casual earnings, which was requested by Mr. Carter.

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): Mr. Chairman, I can either read this now, or leave it with you, as you wish.

The VICE-CHAIRMAN: Is it lengthy?

Mr. CROMB: No, there is just the one page.

Mr. HERRIDGE: I think it would be well to read it, as there may be something arising out of the definition of casual earnings, upon which members may wish to ask questions.

The VICE-CHAIRMAN: Proceed, Mr. Cromb.

Mr. CROMB: A new formula on casual earnings was introduced, effective January 1, 1961, and reads as follows:

Earnings from any employment, other than full-time employment exceeding four consecutive months during any veterans allowance year, will be considered as casual earnings up to an amount of \$600 for a single recipient and \$900 for a married recipient in any one year.

Full-time employment has been defined as follows:—

Full-time employment is any steady employment in which the person is fully engaged during the daily working hours of the normal work week, in performing the tasks of the particular type of employment for which that person is hired. A person thus fully employed cannot be considered as being casually, partly or intermittently employed.

There are two main conceptions of employment for the purpose of dealing with casual earnings under the act:—

- (a) Full-time employment exceeding four consecutive months, the earnings from which are assessable as income.
- (b) Part-time employment, the earnings from which are exempted up to \$600 for single recipients or \$900 for married recipients. In any event, no recipient may have more than \$600 if single or \$900 if married exempted in any veterans allowance year.

One important change that the new formula made over the previous practice is to calculate permissible earnings on an annual basis rather than on a monthly basis as heretofore.

The new formula also recognizes the initiative of the wife of a married recipient, which is one of the factors in permitting the \$900 limit as compared with the \$600 limit for a single recipient.

The VICE-CHAIRMAN: I believe all this is in the form of a publication, which has gone out.

If there are no questions, we will proceed with item 471.

Mr. HERRIDGE: Just before we pass this item, Mr. Chairman, may I ask what is done to inform the recipients of these regulations with respect to casual earnings?

Mr. CROMB: Mr. Herridge, there was a stuffer which went out with the cheques in February. Also, there was a sticker put in the information booklet that was provided. The Canadian Legion was informed by letter of the information I gave you this morning. Also, the district officers were instructed in order that they would be able to inform all recipients within their regions.

The VICE-CHAIRMAN: If we are finished with salaries and wages, could we proceed to legal fees?

Mr. KENNEDY: Before doing that, Mr. Chairman, may I ask this question: Since the Farm Credit Corporation is tied in somewhat with the V.L.A. administration, how is the expense broken down, or are they between the two?

Mr. R. W. PAWLEY (*Director, Veterans Land Administration*): I am sorry, but I did not hear your question.

Mr. KENNEDY: Well, the Farm Credit Corporation is tied in some way with the administration of the Veterans Land Act, at the present time. How are expenses broken down between the Farm Credit Corporation and the V.L.A.? Is it all here, or is this only part of the expense of the whole administration?

Mr. PAWLEY: Mr. Chairman, the expenditures for last year and the estimates for the current year are gross amounts. These do not reflect money that is reimbursed to our branch by the Farm Credit Corporation. The arrangement we have with the Farm Credit Corporation is that they will pay us one-half of the appraisal fee which the applicant pays to that organization. In a majority of cases, this amounted to \$25 per appraisal. This is accumulated over the year, and the corporation pays us this amount, which has gone to consolidated revenue.

Mr. THOMAS: Mr. Chairman, I have a supplementary question. Could Mr. Pawley give us any idea as to the breakdown of the work which the staff performs, percentage-wise, as between the Farm Credit Corporation and the Veterans Land Act?

Mr. PAWLEY: Mr. Chairman, in the statement that I made on Tuesday, the joint staff of the Veterans Land Act and the Farm Credit Corporation completed 7,875 farm appraisals, and of this number 4,116 were done by credit advisers on the strength of the Veterans Land Act administration.

You appreciate that one man in a field area, whether he is on the strength of the farm credit organization or on the strength of the Veterans Land Act, performs work in that field area for both organizations, and while we can give an actual breakdown of the number of appraisals performed, we cannot give a precise breakdown of the amount of work that our organization does for the corporation. Since one man does all the work in the field, and since it is a joint effort, we have not taken too much particular care in recording this, except that we do insure that all the work for both organizations is done in that particular field. But on the main items, such as appraisals,

applications for assistance, and in connection with my documentation, there are records kept. However, we confine those to the smallest number possible because otherwise, you get into a rather extensive clerical job performed by men in the field, which should be avoided.

The relationships between staff numbers give some indication. At the present time the field staff on the strength of the Veterans Land Act is in the vicinity of 119, and the field staff on the strength of the corporation is in the vicinity of 95.

Mr. CARTER: Is that 95 in addition, or 95 out of the 119?

Mr. PAWLEY: That is in addition.

Mr. THOMAS: It appears there, Mr. Chairman, that if the Farm Credit Corporation turned over to the Veterans Land Act half of its fees that are collected, the Veterans Land Act are not being highly remunerated for the services they are performing. Of course, I realize this is all taxpayers money which is going into these services, except what comes back in the way of these fees which are charged. However, from what I know of it, the fees will go nowhere near paying the costs of these appraisals.

Mr. L. LALONDE (*Deputy Minister, Department of Veterans Affairs*): The staff itself is composed entirely of salaried civil servants, and they do not get any part of that fee. This is an administrative fee paid from one unit to another, strictly for bookkeeping purposes.

Mr. THOMAS: Well, that is what I understand, but what I mean to say is that as far as bookkeeping purposes are concerned, the Veterans Land Act administration would appear to suffer from this arrangement.

Mr. PAWLEY: I would like to explain, Mr. Chairman, that we attempted to do a cost study on appraisal work last summer. You will appreciate that in a new operation it probably is not the best time to make a cost study, but at the same time it appeared that as far as the actual out-of-pocket expenses are concerned, the average cost of an appraisal, for expenses only, not including salary, ran between \$25 and \$35 per appraisal.

Mr. BENEDICKSON: Is \$25 the present minimum appraisal fee under the Farm Credit Act?

Mr. PAWLEY: The fee that the Farm Credit Act charges is \$50, or 2 per cent of the loan, whichever is the lesser. That is under part II of the Farm Credit Act.

Mr. BENEDICKSON: In this connection, I appreciate the statement which Mr. Pawley has made, in which he indicated the distribution of field staff and the relationship between the V.L.A. work in this field, and the work done by the field staff under the Farm Credit Corporation.

Members will recall that I have been raising this point for the last couple of years. I was hoping, as statistics showed—at least a couple of years ago—that the burden of work on the Veterans Land Act staff was going down, and I expressed the hope that when we formed the new Farm Credit Corporation—and we expected an expansion there—that on the over-all joint work we would find there was some consistency in the number of persons employed.

I wonder if Mr. Pawley could provide now, or perhaps later, just a bit of further information on that. He has indicated what the appraisals were last year, and I wondered if he could give us a figure of, say, the total number of appraisals made in the year prior to the introduction of the new Farm Credit Act, and could he give us the number of V.L.A. appraisals in that year—the number of appraisals under the Farm Loan Act of that year, and then

the appraisal staff that existed in that year, and relate it to the appraisal in each section last year. Of course, he has given us the figures for staff in each section for last year.

In other words, what I want to know is the relationship of total field staff for the two organizations today, in comparison with the staff in both organizations, say, three years ago, when there seemed to be a start in the reduction of new applications for V.L.A. loans and we did not have the new Farm Credit Act.

Mr. A. D. McCracken (*Senior Administrative Officer, Soldier Settlement and Veterans Land Act Branch, Department of Veterans Affairs*): Would this be the full-time employees of the corporation and its predecessor, the farm loan board?

Mr. BENIDICKSON: I was hoping that you could use comparable figures. Apparently, you have given us figures for field staff for last year. In other words, I would assume that if you provided figures for three or four years, that you would use the same yardstick.

Mr. McCracken: As of the first of April, last year, the corporation, I think, had 25 full-time appraisers in the field. They were supplemented, and have been, over the years, by a number of part-time ones.

Mr. CARTER: Do these appraisers have to employ casual help to enable them to perform their duties from time to time in the field.

Mr. McCracken: The corporation does, Mr. Carter.

Mr. CARTER: But not you?

Mr. McCracken: No, we have not.

Mr. CARTER: You do not do that?

Mr. McCracken: No, although we anticipate that we may have to, in the small holding field next year.

Mr. HERRIDGE: I hope so.

Mr. PAWLEY: To answer the other question, Mr. Chairman, I think if you will leave that with us, we will work on it and will endeavour to supply the answer to you, later.

Mr. BENIDICKSON: Of course, this does not relate directly to V.L.A., but I imagine it is within the knowledge of the V.L.A. people, because they are working so closely, now, with the Farm Credit Corporation. However, inasmuch as we were given figures for the number of appraisals made—and I think it was the combined figure of over 7,000 for V.L.A. and Farm Credit Corporation work—I wanted to know whether or not the appraisal fee under the Farm Credit Act is the same for applications for loans on the supervised side, as it is for the non-supervised side.

Mr. LALONDE: We do know that for loans under part II of the Farm Credit Act, it is \$50, and under part III, it is \$100.

Mr. BENIDICKSON: Minimum?

Mr. LALONDE: Yes.

Mr. BENIDICKSON: Does the 2 per cent rule still apply there? It could be something less than \$50 or \$100.

Mr. McCracken: \$50 or \$100 is the minimum, if I recall correctly.

Mr. BENIDICKSON: The Farm Credit Corporation would give you half of the \$100, or half of the \$50, depending under which section of the Farm Credit Act the application was made.

Mr. PAWLEY: That is right, plus the cost of supervision which is carried on each year thereafter, and which is \$25 per year, I believe.

Mr. BENIDICKSON: But I think you had said that the majority of appraisal fees would run at \$25. I thought you meant in total, but you were referring to one-half, were you not?

Mr. PAWLEY: Yes.

Mr. THOMAS: Are not those appraisal fees maximum? We were speaking of minimum fees. Is it not 2 per cent or a maximum of \$50, or, under part III, 2 per cent or a maximum of \$100?

Mr. MCCracken: Yes, that is right, but I think that \$50 or \$100 probably is, in fact, the lesser in the majority of cases.

Mr. THOMAS: I know there are practically no farm loans being applied for, which, computed at 2 per cent, would amount to less than \$50. So, in practice, they are all \$50 under part II, and \$100 under part III.

The VICE-CHAIRMAN: The figures which you have requested, Mr. Benidickson, will be produced at a later time.

Are there any further questions on salaries and wages?

Mr. CARTER: I have one or two questions on a different subject.

The VICE-CHAIRMAN: Well, we are working on 471.

Mr. CARTER: It would come under this item; however, I do not want to interrupt the line of questioning, if someone else wants to pursue it further.

The VICE-CHAIRMAN: If there are no supplementary questions, then Mr. Carter is next.

Mr. CARTER: I am interested in the people who come under V.L.A. and who also get war veterans allowances. I should like to know the procedure followed in assessing their allowances. Obviously there must be some sort of rough assessment of their income from the farm, on which the W.V.A. allowances are based, and I want to know how that is determined.

The VICE-CHAIRMAN: This item deals with salaries and wages. It applies to the salaries and wages of the employees.

Mr. CARTER: I am taking salaries and wages as a general item, on which we can ask all sorts of general questions.

The VICE-CHAIRMAN: We shall be taking up the War Veterans Act next Thursday, and I suggest this would be more appropriate to discuss then.

Mr. CARTER: But it is the V.L.A. people who make the assessment.

Mr. LALONDE: I must confess I cannot understand the question. The Veterans Land Act people do not make any decision with respect to war veterans allowances.

Mr. CARTER: There are some people who are making a living under the Veterans Land Act and who are in receipt of war veterans allowances. That is my understanding, but if there are no such people then my question is invalid.

Mr. H. F. JONES (*Parliamentary Secretary to the Minister of Veterans Affairs*): They are less than one per cent, I think.

Mr. LALONDE: Yes, there are only a few. Could you explain the purpose of your question?

Mr. CARTER: If a fellow is working on a farm and is in receipt of war veterans allowance, how do you know how much veterans allowance to pay?

Mr. LALONDE: The V.L.A. has nothing to do with that. That is done by the war veterans allowance board. Perhaps the chairman of the board can explain how they assess the income.

Mr. CARTER: Yes, they are the people.

Mr. CROMB: In connection with the assessment of income for farmer veterans who are recipients of war veterans allowances, their income is estimated and they are assessed 25 per cent of the first \$1,000 of gross farm income, 40 per cent of the second \$1,000 of gross farm income or fraction thereof, and 50 per cent of the balance of gross farm income. That is to say, 75 per cent of the first \$1,000 is not counted, 60 per cent of the second \$1,000 is not counted, and then there is the 50 per cent exemption for the remaining amount of the gross income.

Mr. CARTER: That is a sort of rough rule?

Mr. CROMB: That is right.

Mr. CARTER: And to whom does it apply?

Mr. CROMB: To all farmers operating their farms below the normal level of farming due to their infirmity. That is the form we use to calculate their income.

Mr. CARTER: For example, the 25 per cent of the first \$1,000 is what you regard as gross income and the rest would be operating expenses?

Mr. CROMB: We just count 25 per cent of the first \$1,000 of gross farm income, and the rest is not counted.

Mr. CARTER: What happens if his expenses are more, or if his income is actually less than that?

Mr. CROMB: If a farmer feels he is not getting a fair break on this, he may go on a straight operational basis. In other words, we will take his operational expenses as opposed to his gross revenue and estimate his income on that basis.

Mr. CARTER: In other words, that rough and ready yardstick will be later revised in the light of any exact figures he can submit as to what his income and expenses actually were?

Mr. LALONDE: If he can produce evidence to that effect.

Mr. CROMB: The district authorities try to assess what the man needs of war veterans allowance, and if they have underestimated they will make it up to him before the end of the veterans allowance year.

Mr. HERRIDGE: As the only peasant farmer present, I think that is a generous allowance.

Mr. CROMB: We have had very few complaints and it seems this is working very satisfactorily. It has been in operation for seven years now.

Sub item agreed to.

The VICE-CHAIRMAN: The next sub-item is legal fees—\$162,000.

Mr. WINKLER: Are the men who are looking after legal matters all on the permanent staff, or are some called in from time to time?

Mr. PAWLEY: We have two groups assisting us in our legal work. First, we have the employees who are paid by the department. They are on the strength of the Department of Veterans Affairs and are not specifically on Veterans Land Act strength. The second group are legal agents who are appointed by the Department of Justice, and as a rule they work in the county. Their main job is obtaining and searching title on behalf of our department.

Mr. WINKLER: Thank you.

Mr. HERRIDGE: On this item, legal fees, I think it is appropriate to raise a question I raised at the conclusion of the last meeting. At that time I submitted some questions to Mr. Pawley with respect to mineral rights under the Soldier Settlement Act and the Veterans Land Act. I have received very satisfactory answers to them, with the exception of one or two where the expense

and effort would not warrant obtaining full information. Now, I shall not clutter up the record with them, but in view of the interest in the subject, I should like Mr. Pawley to give a brief outline regarding mineral rights under both acts.

Mr. PAWLEY: Mr. Chairman, I should like to introduce Mr. Holmes, who is the superintendent of property and securities division at our V.L.A. head office. He will answer the question.

Mr. H. R. HOLMES (*Superintendent, Securities and Property Division*): If I understand the question correctly, you want information regarding the procedure followed with regard to mines and minerals under both acts.

Mr. HERRIDGE: Yes, how rights are acquired and the difference between the two acts, and their application to settlements.

Mr. HOLMES: Under the Soldier Settlement Act the Soldiers Settlement Board was authorized to acquire agricultural land in any part of Canada necessary for the purposes of the act. Land was defined in that act as including all rights and interests in land, and of course rights and interests would include mineral rights. Then there was section 57 of the Soldier Settlement Act which provided that for all sales of land, mines and mineral rights would be reserved, whether or not the agreement or grant so provided.

Similarly under V.L.A., the Director is authorized to acquire land in any part of Canada that he thinks necessary for the purposes of the act, but there is no reservation or provision for the reservation of mines and minerals, as in any soldiers settlement transaction that when land is conveyed away from the Director, mines and minerals are reserved. Under the Veterans Land Act any conveyance from the Director to a purchaser includes any mines and minerals that may have been acquired with the surface rights.

The question arose early in 1930 about the disposition of mines and minerals that were acquired under the Soldier Settlement Act and the Department of Justice ruled or expressed the opinion that, despite the provisions of section 57 of that act, mines and minerals that had been acquired by the Soldier Settlement Board could be disposed of by the government under the provisions of the Public Lands Grants Act. Under that act an order in council could be secured authorizing the granting of mines and minerals.

That was premised on the fact that Justice held the view that because of section 57 of the Soldier Settlement Act any mines or minerals that were acquired by the Board incidental to the purchase of the surface rights passed directly to the Crown, that the Soldier Settlement Board acted merely as a conduit, that these rights acquired by Soldier Settlement became an asset of the Crown and should be administered by that branch or Department that handled mines and minerals. Does that answer the question?

Mr. HERRIDGE: I was interested to know that the Department of Northern Affairs and National Resources apparently had something to do with the administration of minerals on lands held by veteran settlers.

Mr. HOLMES: As a result of representations made to the government they decided in 1948 that they would convey to a soldier settler or his heirs, who had complied with the terms of his agreement, any mines and minerals acquired by Soldier Settlement appurtenant to the parcel of land on which he had been settled. That was to be done under the provisions of the Public Lands Grants Act, an order in council being secured in each case, authorizing the grant. The soldier settler was thereby given an opportunity to make an application for a grant of mines and minerals, but he had to make that application by a cut-off date, which was established as March 31, 1950. That, however, was subsequently extended for a year.

The cabinet directive which issued, setting out the terms and conditions under which soldier settlers could apply for these grants, provided that any

mines and minerals appurtenant to any other Soldier Settlement lands, and mines and minerals that had not been applied for before the cut-off date by the settler, were to be put under the jurisdiction and considered to be at the disposition of the Department of Mines and Resources, and they were to be offered for sale on the open market as the Governor in Council directed. So in any instance where we had acquired mines and minerals the settler was informed by letter that he had the right to apply for them. If he did not apply for them before the cut-off date, we notified the Department of Mines and Resources, which is now the Department of Northern Affairs and National Resources that these mines and minerals could be considered at their disposal.

Mr. HERRIDGE: Thank you very much.

The VICE-CHAIRMAN: The next sub-item is provincial land reports—\$4,000.

Mr. HERRIDGE: I have just one question on this. Are there many veterans now being settled on provincial lands, and what has been the success in that direction?

Mr. PAWLEY: During 1960 and 1961 there were 10 settled on provincial lands, and nine on dominion lands, so the number of settlements taking place is very small. So far as the success of establishment of this type of land is concerned, our experience has not been too good. While there are a limited number who, no doubt, have made a success of it, it seems that our generation are probably not as adapted to living in homestead surroundings as were generations many years ago. I believe the economic conditions in remote areas of this nature undoubtedly have had some influence on the success of these men on provincial lands.

Mr. KENNEDY: Does that figure include Indian settlement reserves?

Mr. PAWLEY: No, sir. The number of Indian veterans established on reserve lands in 1960 and 1961 was 23.

Mr. CARTER: I should like to follow up Mr. Herridge's line of questioning. Before Newfoundland became a part of Canada the provincial government of Newfoundland set aside a piece of land for soldiers settlement, and created a little farming village called I think, Cormack. Is Mr. Pawley aware of that? Has it been transferred to the jurisdiction of the Veterans Land Act, or is it being operated separately?

Mr. PAWLEY: I have some personal knowledge of that particular establishment on provincial lands at Cormack. Unfortunately I cannot give you precise figures but I believe there were approximately 25 veterans established in that area on 50-acre parcels of land.

Mr. CARTER: That is right.

Mr. PAWLEY: In each case 10 acres were cleared and the province provided a house, some assistance in clearing, and so on. Of the original group of veterans established on these properties I believe there are not more than two or three who are farming as a farmer would.

Mr. CARTER: I think the original idea was not that they become full-time farmers but that they would combine farming and logging. They were in a locality where they could also cut pulpwood and sell it.

Mr. PAWLEY: That is actually what happened, Mr. Carter. The majority of these people are working on the roads and are cutting pulpwood. Two men carried on farming to a fair degree, and one man has his farm used as an illustration station under the Department of Agriculture and is actually doing very well. They have not presented any problem so far as we are concerned, but the basic idea in opening up this land for farming purposes has not probably worked out to the extent they thought it might in the first instance.

Mr. CARTER: What I was interested to find out was whether that property is being administered by V.L.A. or by the province itself?

Mr. PAWLEY: For any veterans who are under us we administer their accounts and the establishment.

Mr. CARTER: So there are two groups of veterans on that piece of land now?

Mr. PAWLEY: I cannot say for sure, but we administer any veterans who are under us.

Mr. CARTER: Could you find that out for the next meeting and transmit the information to the chairman as to how the veterans in that group are being administered?

Mr. BENIDICKSON: Some years ago a change was made to permit co-operative and community farming. I think the illustration before the committee at that time emanated from northern Saskatchewan. Is that still operating on the basis of co-operative ownership and community farming? And if so, what progress has been made?

Mr. PAWLEY: In order to answer that question I would like to introduce Mr. Strojich, superintendent of the farm service division, Veterans Land Act.

Mr. W. STROJICH (*Superintendent, Farm Service Division*): The individual farmer who has been established under the V.L.A. and who forms part of a co-operative in Saskatchewan, is established as an individual veteran under the V.L.A., in so far as his relationship with the V.L.A. is concerned. We treat them as individuals.

Mr. BENIDICKSON: And do you collect your accounts on an individual basis?

Mr. STROJICH: No, the grants under section 38 are considered as grants; there is no collection involved. We spend the money for permanent improvements, and for the purchase of machinery. Some of this machinery has been bought co-operatively. This is permitted under the Veterans Land Act regulations. Individual veterans have grouped together in these co-ops which have been instituted under various provincial arrangements, and their buildings may be in a certain spot, and so on. Some of these co-ops have turned out fairly well. In other instances, the veterans have decided that they are better off somewhere else, and they have substituted their establishment, with other veterans coming in and taking over in these co-ops. The actual supervision of the farms is done by the provincial government through their district agriculturalists, and the provincial government provides us with a report of their progress annually.

Mr. BENIDICKSON: About how many veterans would be farming on a co-op basis?

Mr. STROJICH: I would have to dig up that information; I do not have it available right now, but I could get it.

The VICE-CHAIRMAN: Sub item agreed to; the next sub-item is travelling expenses, agreed; freight, express and cartage, agreed; postage, agreed; telephones and telegrams, agreed; publication of reports and other material, agreed; office stationery, supplies and equipment, agreed; motor vehicles—purchase and replacement, agreed; repairs and upkeep of motor vehicles, agreed; expenses of regional advisory committees and provincial advisory boards.

Mr. HERRIDGE: Would the director mind explaining how provincial advisory boards and regional advisory boards are appointed?

Mr. PAWLEY: Regional advisory committees and members thereof, and provincial advisory boards are appointed by order in council through the Minister of Veterans Affairs.

Mr. HERRIDGE: Have you any idea how the selection is made of persons to serve on regional committees?

Mr. PAWLEY: This is a responsibility that rests with the minister. I might say, however, that the members serving on the provincial advisory board, outside of the chairman, who is a judge of a county court, are representatives of the Canadian Legion. Since he is a representative of the Legion, I think that the nominee is suggested by the Legion.

The VICE-CHAIRMAN: Agreed. The next item is sundries. Agreed. Refunds, V.L.A. construction course fees.

Mr. WEICHEL: May we have a little explanation of that item?

Mr. A. D. McCracken (*Senior Administrative Officer*): This relates to construction contracts which are entered into under part II of the V.L.A. Construction courses are held pretty well throughout the country in schools or by legion branches. Some, at any rate, charge fees for attendance at these courses. In some cases, if a person attends a certain percentage of the lectures, then all or part of the fee is refunded at the termination of the course. This provision here enables us to reimburse the veteran who enters into a part II contract, or who enters into a construction contract with the director under part II of the act. This enables us to pay the veteran that portion of the fee he paid in order to attend the construction course which was not refunded to him at the conclusion of it.

The VICE-CHAIRMAN: Agreed. That concludes vote 471 with the exception of a couple of questions.

Mr. CARTER: Before we terminate this, at the last sitting I raised a question about some statistics.

The VICE-CHAIRMAN: I think Mr. Pawley will give the answer now.

Mr. PAWLEY: Mr. Chairman, in one question Mr. Carter asked the other day, he requested information on the gross income and expenditure of commercial fishermen. I stated that we would attempt to get this information. Upon reflection, however, I would like to point out to Mr. Carter that we might have some trouble in getting information of this nature because, unlike farmers, we do not establish commercial fishermen on the basis of their income. Therefore they may object to revealing their private business to us.

The second question had to do with the war veterans allowance, I believe, and the number paying from war veterans allowance. Mr. McCracken will answer that question; and there was another question raised in connection with the arrears broken down under regional areas. Whether or not you wish to deal with the answer to that question now, and regardless of that, Mr. McCracken is prepared to handle both these matters.

Mr. CARTER: Before the witness leaves, with regard to income of commercial fishermen, I do not want any individual income. I understood that what you gave us with respect to farmers were average figures for full-time farmers in different parts of Canada, and I wanted the comparable average for fishermen. I thought you might have it. That would not be revealing any individual income, but just giving us a rough average.

Mr. PAWLEY: We do not have the information. We would have to obtain it, and I want to go on record that we might have a little difficulty in obtaining it.

Mr. McCracken: I said the other day that we had a precise figure as to the number of veterans who were meeting their instalments in whole or in

part from their war veterans allowance. I was wrong in saying that. We do not have precise figures. However, we do know this: that as of the 10th of April, 1961, there were 34 full-time farming and commercial fishing veterans across the country, and 84 small holding veterans across the country who made their payments in whole or in part by means of an order or an assignment, other than a pension order or a salary assignment. I think it would be reasonable to say that the majority of this aggregate figure of 118 would be veterans who are paying out of their war veterans allowance.

Mr. CARTER: Thank you.

Mr. McCracken: The next question was asked by Mr. Kennedy, who wanted to know what the collection situation was on a regional basis. I have this information for all districts. I do not know whether it is desired by all districts. It is quite an extensive breakdown. But in so far as the Atlantic is concerned, if you would like it now, Mr. Kennedy, let me say that in so far as Prince Edward Island is concerned—and these figures are as of May 20th, 1961—we had 60 veteran farmers in arrears out of approximately 500 and some odd. Their arrears totalled \$9,176. Of that number 20 owed us over \$200, and three owed us over \$400.

In Prince Edward Island we had 22 commercial fishermen in arrears as of May 20, and their arrears totalled \$2,439. Three of them are in arrears in the amount of over \$200. We have 71 small holders in arrears in Prince Edward Island. The total amount is \$2,062, and six have arrears in excess of \$100.

We have five civilian purchasers in Prince Edward Island in arrears in the amount of \$141. These are monthly payment civilian purchase accounts. We have two civilian purchase accounts in arrears in the amount of \$506.

In New Brunswick—and this is for the whole province—we have 40 farmers in arrears in the amount of \$5,742.

Mr. O'Leary: Do you have the total figures there? Those 40 would be out of how many?

Mr. McCracken: I think it runs approximately 450, Mr. O'Leary.

Mr. O'Leary: Thank you.

Mr. McCracken: The arrears for these 40 amounted to \$5,742. Ten of them owed us over \$200, and of those ten one was in arrears of over \$400. We have four commercial fishermen in arrears in the amount of \$384, one of whom owed us over \$200. We have 210 small holders in arrears, and the total was \$6,852, and of the 210, nine are in arrears in excess of \$100.

In Nova Scotia we have 35 veteran farmers in arrears out of approximately the same number, or the same total as in New Brunswick. The arrears owed by those 35 totalled \$5,724. Ten owed us over \$200, and of that ten, four are in arrears in excess of \$400. We have 12 commercial fishermen in arrears to the total of \$1,576, two of them being in arrears for over \$200, and one for over \$400. We have 294 small holders in arrears, for a total of \$11,385, of whom there are 30 who owed us over \$100.

In Newfoundland we have no veteran farmers in arrears.

Mr. MacRae: Out of how many all told?

Mr. McCracken: I am not sure that we have any. We have two commercial fishermen in arrears in the amount of \$296, and we have 36 small holders in arrears to the extent of \$1,436. If my memory serves me correctly, we have approximately 350 accounts all told in Newfoundland. And of those 36 small holders who were in arrears, we had one veteran who owed us over \$100. That is the situation in the Atlantic district.

Mr. Kennedy: Would it be possible to have the same information for the other provinces?

The VICE-CHAIRMAN: It is suggested that the information for the other provinces be written into the record as an appendix. Is it agreed?

Agreed.

(See appendix A)

Mr. CARTER: If we are going to have it as an appendix, would it not be better to have the whole works?

The VICE-CHAIRMAN: It will probably go in that way.

Mr. McCracken: Might I suggest that in putting it in for every province it will perhaps not be as descriptive geographically as it has been possible to do it in connection with the Atlantic district, where we have been able to group our figures and statistics on a provincial basis. For instance, in Alberta and Saskatchewan we maintain our collection figures on what we call a sector basis, which uses, or corresponds to, the old regional offices to some extent. In other words, we brought them under more than one supervisor. In Alberta and Saskatchewan we have seven and eight respectively.

The VICE-CHAIRMAN: Agreed. Thank you Mr. McCracken. That cleans up item 471.

Item 471 agreed to.

Items 472 to 477 inclusive agreed to.

Item 494: Protection of security—soldier settlement, and refunds of surplus to veterans \$3,300

Mr. CARTER: Is there any insurance program in connection with veterans' property under this act?

Mr. PAWLEY: Mr. Chairman, I take it that Mr. Carter means life insurance to protect a mortgage?

Mr. CARTER: Yes.

Mr. PAWLEY: We are studying this, and as I mentioned the other day, there seems to be sufficient interest shown to give it further study. But in order to implement it, apparently, we shall have to have an amendment to the act.

Item 494 agreed to.

Item 495: Purchase of land and permanent improvements; cost of permanent improvements to be effected; removal of encumbrances; stock and equipment; and protection of security under the Veterans Land Act\$34,743,975

Mr. HERRIDGE: I would like to ask one question: in view of the anticipated increase in applications for small holdings as a result of the reduction in acreage to one-half an acre, is the administration doing anything to purchase acreage which might be suitable for this purpose, where they know that demand is going to be heavy?

Mr. PAWLEY: In this connection we have throughout Canada, located within a reasonable distance of major cities, land that we already own for subdividing on a two-acre basis. We anticipate that in many cases this land will probably be re-subdivided on a one-half acre basis, and sold to other veterans. We hope that this will probably take care of the majority of establishments without requiring new land for subdivision purposes. However, if there are sufficient veterans who show an interest, and providing, of course, we can subdivide the land at a reasonable cost to the veterans and still leave sufficient for building a house, we are quite prepared to go into the development of a subdivision providing there is municipal water.

The VICE-CHAIRMAN: Agreed?

Mr. HERRIDGE: I have one more question: suppose a veteran presently settled under the small holdings section of the act on two acres wishes to

dispose of an acre and a half of excellent property for further settlement, does the sale price of that surplus acreage apply to the loan, or is the money paid to him?

Mr. PAWLEY: In every case, sir, when the sale is made under section 11 of the act, it is applied to the loan unless, of course, his loan is paid up when, if there is a surplus, it would be refunded to him.

Item 495 agreed to.

Items 465 and 466 agreed to.

Item 467, Grant to Royal Canadian Legion \$9,000.

Mr. HERRIDGE: Have there been any complaints received by the department in respect to the administration of the last post fund during the last year?

Mr. E. J. SIVYER (*Assistant Departmental Secretary*): There was one complaint brought to our attention by the British Columbia command of the Legion. We discussed it with the Last Post Fund. It was a matter of interpretation of one section of the regulations. We drew it to their attention, and they have since issued a circular letter to all their branches, and we believe the matter has been rectified now.

Mr. HERRIDGE: You mean the British Columbia command?

Mr. SIVYER: Yes, they brought it to our attention, and we corrected it.

Item agreed to.

The VICE-CHAIRMAN: With one exception, that completes everything in the estimates, except for item 453, Departmental Administration, which was left open.

Item 453 agreed to.

The VICE-CHAIRMAN: That will permit us to report the estimates back to the house. The steering committee will meet, following this meeting; and if there is nothing further, we shall adjourn. But I have to have a motion on the report.

Mr. CARTER: I move we report the estimates back to the house.

Mr. LENNARD: I second the motion.

The VICE-CHAIRMAN: It has been moved and seconded that we report the estimates back to the house? Is it agreed?

Agreed.

APPENDIX "A"

ARREARS AS OF MAY 20, 1961 FOR V.L.A. FULL TIME FARMING, COMMERCIAL FISHING, SMALL HOLDING AND CIVILIAN PURCHASER ACCOUNTS

No. shown over \$100 included in No. shown over \$200	Full Time Farmers				Commercial Fish				Small Holders				C.P. Accounts			
	No.	Total over \$100 dollars	No.	No. over \$200	**No. over \$400	Total dollars	No. over \$100	No. over \$200	**No. over \$400	Total dollars	No. over \$50	No. over \$100	Total dollars	No. over \$100	No. over \$200	**No. over \$400
ATLANTIC DISTRICT																
Prince Edward Island.....	60	9,176	14	20	3	2,439	9	3	—	71	2,062	14	6	7	647	1
New Brunswick.....	40	5,742	14	10	1	384	—	1	—	210	6,852	17	9	19	927	1
Nova Scotia.....	35	5,724	8	10	4	1,576	4	2	1	294	11,385	36	30	18	1,163	3
Newfoundland.....	—	—	—	—	—	296	1	—	—	36	1,436	8	1	1	265	—
Magdalen Islands.....	—	—	—	—	—	445	3	—	—	8	184	—	—	2	45	—
QUEBEC DISTRICT																
Montreal Region.....	20	2,545	6	3	2	—	—	—	—	117	3,533	12	8	17	557	—
Sherbrooke Region.....	9	734	3	1	—	—	—	—	—	41	1,863	6	5	8	237	—
Quebec Region.....	23	2,377	7	4	—	265	—	—	—	80	2,514	15	4	17	609	—
EASTERN ONTARIO DISTRICT																
Kingston Region.....	23	3,339	5	6	2	494	1	1	—	173	8,020	40	16	2	622	1
Norfolk Region.....	20	3,524	5	6	1	—	—	—	—	179	7,251	40	10	4	483	—
Ottawa Region.....	40	7,089	15	11	4	—	—	—	—	111	3,628	13	9	5	283	—
Toronto Region.....	—	—	—	—	—	—	—	—	—	161	5,998	29	6	6	218	—
Northern Ontario.....	43	6,121	15	7	3	—	—	—	—	171	8,231	26	15	10	560	—
WESTERN ONTARIO DISTRICT																
London Region.....	49	10,008	11	19	6	—	—	—	—	89	4,205	18	8	6	351	1
Guelph Region.....	43	10,209	18	16	7	—	—	—	—	78	5,294	9	11	4	967	—
Hamilton Region.....	43	3,764	5	6	3	—	—	—	—	160	9,821	19	24	1	21	—
Windsor Region.....	37	9,810	14	16	5	300	—	1	—	112	6,492	15	19	3	553	1
MANITOBA DISTRICT																
Winnipeg—Sector I.....	82	15,265	36	27	3	—	—	—	—	56	2,414	12	1	—	—	—
Winnipeg—Sector II.....	95	15,856	46	20	5	713	1	1	—	11	354	—	1	10	629	—
Dauphin Region.....	89	12,348	39	11	4	96	—	—	—	6	104	—	—	21	2,455	1
Brandon Region.....	98	17,267	49	25	3	—	—	—	—	4	163	—	—	4	627	—
Nor. Western Ontario.....	19	1,800	5	1	—	—	—	—	—	37	1,122	8	—	3	83	—

SASKATCHEWAN DISTRICT

Pr. Albert Sector I.....	92	20,603	36	38	13	2	192	1	—	—	4	113	—	—	10	1,406	6	2	—	—
Pr. Albert Sector II.....	87	17,813	35	27	9	—	—	—	—	—	1	16	—	—	15	2,792	6	3	—	1
Saskatoon Sector I.....	75	16,988	29	30	11	—	—	—	—	—	—	—	—	—	5	967	—	5	—	—
Saskatoon Sector II.....	75	15,503	37	21	10	—	—	—	—	—	7	403	—	—	1	132	1	—	—	—
Yorkton Sector I.....	141	29,730	54	54	14	—	—	—	—	—	4	259	—	—	12	2,380	5	4	—	3
Yorkton Sector II.....	107	25,094	48	38	16	—	—	—	—	—	8	180	—	—	14	2,804	4	7	—	—
Regina Sector I.....	43	10,312	20	16	8	—	—	—	—	—	—	—	—	—	3	819	—	2	—	1
Regina Sector II.....	88	15,351	43	20	5	—	—	—	—	—	3	104	1	—	2	376	—	1	—	—

ALBERTA DISTRICT

Grand Prairie Sector I.....	37	11,607	14	19	10	—	—	—	—	—	2	57	—	—	6	867	2	2	—	—
Grand Prairie Sector II.....	47	10,841	19	18	5	—	—	—	—	—	3	593	1	—	4	679	2	2	—	—
St. Paul Region.....	45	10,529	16	16	5	—	—	—	—	—	4	146	1	—	6	769	1	1	—	—
Edmonton Sector I.....	48	11,931	18	22	12	—	—	—	—	—	5	181	1	—	4	564	—	2	—	—
Edmonton Sector II.....	35	8,406	10	20	5	—	—	—	—	—	1	36	—	—	1	52	—	—	—	—
Red Deer Region.....	26	5,127	9	9	4	—	—	—	—	—	7	316	1	—	2	304	2	—	—	—
Calgary Sector I.....	26	7,029	6	16	4	—	—	—	—	—	19	941	1	—	4	312	—	1	—	—
Calgary Sector II.....	26	8,660	10	15	9	—	—	—	—	—	10	713	2	—	1	37	—	—	—	—

BRITISH COLUMBIA DISTRICT

Victoria Region.....	5	703	2	1	—	5	938	1	2	—	130	4,529	24	5	12	390	—	—	—	—
New Westminster Region.....	15	2,607	8	4	1	5	625	1	1	—	318	13,261	57	25	11	254	—	—	—	—
Kelowna Region.....	61	12,644	25	19	7	—	—	—	—	—	89	3,509	14	7	7	308	—	—	—	—
Kamloops Region.....	46	7,218	19	8	3	—	—	—	—	—	68	3,362	12	10	8	564	2	—	—	—

HOUSE OF COMMONS
Fourth Session—Twenty-fourth Parliament
1960-61



STANDING COMMITTEE
ON
VETERANS AFFAIRS

Chairman: G. W. MONTGOMERY, ESQ.

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 17

THURSDAY, JUNE 8, 1961
FRIDAY, JUNE 9, 1961
MONDAY, JUNE 12, 1961

BILL C-101, AN ACT TO AMEND THE WAR VETERANS
ALLOWANCE ACT, 1952
including
THE SIXTH (ESTIMATES) AND SEVENTH (BILL C-101)
REPORTS TO THE HOUSE

WITNESSES:

From the Canadian Legion: Messrs. M. Woods, Dominion President; D. M. Thompson, Dominion Secretary; and M. L. MacFarlane, Director of the Service Bureau.

From the Canadian Corps Association: Messrs. S. Harpham, Dominion President and E. J. Parsons, Dominion Pensions Advocate.

From the Department of Veterans Affairs: Messrs. L. Lalonde, Deputy Minister; W. T. Cromb, Chairman of the War Veterans Allowance Board; and P. Cross, member of the War Veterans Allowance Board.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1961

STANDING COMMITTEE ON VETERANS AFFAIRS

Chairman: G. W. Montgomery, Esq.

Vice-Chairman: D. V. Pugh, Esq.

and Messrs.

Badanai	Jones	Peters
Batten	Kennedy	Roberge
Beech	LaMarsh, Miss	Robinson
Benidickson	Lennard	Rogers
Broome	MacEwen	Smith (<i>Lincoln</i>)
Cardin	MacRae	Speakman
Carter	Matthews	Stearns
Clancy	McFarlane	Stewart
Denis	McIntosh	Thomas
Fane	McWilliam	Webster
Forgie	O'Leary	Weichel
Fortin	Ormiston	Winkler.
Herridge	Parizeau	

R. L. Boivin,
Clerk of the Committee.

REPORTS TO THE HOUSE

WEDNESDAY, June 7, 1961.

The Standing Committee on Veterans Affairs has the honour to present its

SIXTH REPORT

On Monday, April 17, 1961, Items numbered 453 to 478 inclusive and Items numbered 494 and 495 in the Main Estimates (1961-62), relating to the Department of Veterans Affairs, were referred to the Committee.

Your Committee has held twelve meetings on Estimates and, after a thorough examination, has agreed to approve and recommend them to the House for adoption.

Your Committee wishes to express its deep sorrow and its great sense of loss by the passing of Mr. J. A. Macdonald, who has been an esteemed and valuable Member of this Committee for several years.

In connection with its consideration of the Estimates, the Committee gratefully acknowledges the co-operation extended to it by the Honourable Gordon Churchill, Minister of Veterans Affairs; Mr. Harry F. Jones, Parliamentary Secretary, and Mr. Lucien Lalonde, Deputy Minister, Mr. T. D. Anderson, Chairman of the Canadian Pension Commission; Mr. W. T. Cromb, Chairman of the War Veterans' Allowance Board, and the senior officers of the Department should also be commended for their most able assistance.

Several Veterans' Organizations have also been most helpful by submitting representations and appearing before the Committee. The Committee wishes to bring to the attention of the Government and the House their recommendations and opinions, which appear in the record and were of great assistance to the Committee.

A copy of the Minutes of Proceedings and Evidence relating to the Estimates is appended.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman.

MONDAY, June 12, 1961.

The Standing Committee on Veterans Affairs has the honour to present its

SEVENTH REPORT

Your Committee has considered Bill C-101, An Act to amend the War Veterans Allowance Act, 1952, and has agreed to report it without amendment.

During the course of its deliberations, your Committee heard delegations from the Canadian Legion and the Canadian Corps Association, and a representation from the Canadian Veterans Association of the United Kingdom.

Your Committee has considered such representations as well as those raised by Members of the Committee, and has approved the submission of the following recommendation:

On Clause 3 of the Bill,—

That sub-paragraph (iv) of paragraph (a) of sub-clause (4) be deleted.

Your Committee further wishes to draw to the attention of the House the representations made by the delegations of the veterans' organizations and suggests that consideration be given to the same insofar as they relate to the said bill.

A copy of the Minutes of Proceedings and Evidence relating to Bill C-101 is appended.

Respectfully submitted,

G. W. MONTGOMERY,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, June 8, 1961
(22)

The Standing Committee on Veterans Affairs met this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Baten, Beech, Benidickson, Broome, Carter, Fane, Herridge, Jones, Kennedy, Lennard, MacEwan, Matthews, McIntosh, McFarlane, Montgomery, O'Leary, Pugh, Smith (*Lincoln*), Stewart, Thomas, Weichel.—(21).

In attendance: From the Canadian Legion: Mr. Mervyn Woods, Dominion President; Mr. D. M. Thompson, Dominion Secretary; Mr. M. L. MacFarlane, Director of the Service Bureau. *From the Department of Veterans Affairs:* Mr. L. Lalonde, Deputy Minister; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board.

The Chairman opened the meeting at 9.40 o'clock a.m. and called Clause 1 of Bill C-101, an Act to amend the War Veterans Allowance Act, 1952.

The Chairman called the first witnesses, Mr. M. Woods, Mr. D. Thompson and Mr. M. L. MacFarlane. Mr. Woods introduced the delegation from the Canadian Legion and read the brief submitted by that Association. The witnesses were questioned on various matters relating to the brief and were retired.

At 10.45 o'clock a.m. the Committee adjourned until 2.30 o'clock p.m. this afternoon.

AFTERNOON MEETING (23)

At 2.40 o'clock p.m. the Committee resumed its consideration of Bill C-101. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Batten, Beech, Broome, Carter, Fane, Herridge, Jones, Kennedy, MacEwan, MacRae, Matthews, McFarlane, McIntosh, Montgomery, O'Leary, Smith (*Lincoln*), Webster.—(18).

In attendance: From the Canadian Legion: Mr. Mervyn Woods, Dominion President; Mr. D. M. Thompson, Dominion Secretary; Mr. M. L. MacFarlane, Director of the Service Bureau. *From the Canadian Corps Association:* Mr. Stanley Harpham, Dominion President; Mr. E. J. Parsons, Dominion Pensions Advocate. *From the Department of Veterans Affairs:* Mr. L. Lalonde, Deputy Minister; Mr. W. T. Cromb, Chairman of the War Veterans Allowance Board; Mr. Paul Cross, member of the War Veterans Allowance Board.

The Chairman opened the meeting and recalled the witnesses from the Canadian Legion, who were further examined.

The Chairman tabled a statement on the Merchant Navy Seamen, prepared by the Canadian Legion. The Committee agreed to print this statement as an Appendix to today's Minutes of Proceedings and Evidence. (*See Appendix "A"*)

The witnesses were thanked by the Chairman for their co-operation and were retired.

The Chairman then called the witnesses from the Canadian Corps Association, Mr. S. Harpham and Mr. E. J. Parsons.

The witnesses presented resolutions relating to Bill C-101, and were questioned thereon. The Chairman thanked the witnesses for their help and the witnesses were retired.

On motion of Mr. O'Leary, seconded by Mr. Batten,

Resolved,—That the Committee print 2,100 additional copies in English and 200 additional copies in French of today's Minutes of Proceedings and Evidence relating to Bill C-101.

The Chairman then called as witnesses Mr. L. Lalonde, Mr. W. T. Crompt, and Mr. Paul Cross.

Clause 1 was adopted.

Clause 2 was called. The witnesses were examined and Clause 2 was adopted.

Clauses 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 were severally called and adopted.

Clause 13 was called and following debate was adopted.

The Preamble, the Title and the Bill were severally called and adopted.

Ordered,—That the Bill be reported without amendment.

On motion of Mr. Benidickson, seconded by Miss LaMarsh,

Resolved,—That the Committee recommend that the Government give consideration to amending Clause 13 by deleting the words "on the first day of June 1961" and substituting therefor the words "on the first day of March 1961".

In amendment, Mr. Herridge moved that the words "and that the government give consideration to the other recommendations of the Canadian Legion and the Canadian Corps Association" be inserted after the words "first day of March 1961".

The Chairman ruled the amendment out of order, on the grounds that it was not relevant to Clause 13.

The Chairman then read the motion and put the question. A recorded vote having been requested, the Clerk called the names:

Yeas: Miss LaMarsh, and Messrs. Batten, Benidickson, Herridge.—(4).

Nays: Messrs. Broome, Jones, Kennedy, MacEwan, MacRae, McFarlane, McIntosh, O'Leary, Smith (*Lincoln*), Thomas.—(10).

The Chairman declared the motion lost.

The Committee agreed to meet *in camera* at 9.30 o'clock a.m. on Friday, June 9th, to consider its Report to the House.

At 5.00 o'clock p.m. the Committee adjourned.

FRIDAY, June, 9, 1961.

(24)

The Standing Committee on Veterans Affairs met *in camera* this day at 9.40 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Miss LaMarsh, and Messrs. Batten, Benidickson, Carter, Clancy, Herridge, Jones, Kennedy, Matthews, McFarlane, Montgomery, Pugh, Robinson, Smith (*Lincoln*), Stewart.—(15)

The Chairman called the meeting to order. The Committee agreed to print, as an Appendix, a telegram received by the Chairman from the Canadian Veterans Association of the United Kingdom. (*See Appendix "B"*).

Resolved,—That the Steering Subcommittee be instructed to prepare a draft report on Bill C-101, bearing in mind the discussions held on this matter by the Committee.

At 10.45 o'clock a.m. the Committee adjourned to the call of the Chair.

MONDAY, June 12, 1961.

(25)

The Standing Committee on Veterans Affairs met *in camera* this day at 10.45 o'clock a.m. The Chairman, Mr. G. W. Montgomery, presided.

Members present: Messrs. Batten, Beech, Broome, Clancy, Fane, Forgie, Jones, Kennedy, Lennard, MacRae, Matthews, McFarlane, Montgomery, O'Leary, Pugh, Robinson, Rogers, Smith (*Lincoln*), Speakman, Stearns, Stewart, Thomas, Weichel.—(23)

The Chairman read the Draft Report to the House recommended by the Steering Subcommittee.

The Draft Report was unanimously adopted and the Chairman was instructed to present it to the House.

At 10.15 o'clock a.m. the Committee adjourned to the call of the Chair.

R. L. Boivin,

Clerk of the Committee.

EVIDENCE

THURSDAY, June 8, 1961.

The CHAIRMAN: Gentlemen, please come to order. We have a quorum. The order of business this morning is the consideration of Bill C-101, an act to amend the War Veterans Allowance Act of 1952.

I call clause one.

We have two delegations here this morning. The steering committee thought we should hear from the out of town one first, but because of circumstances, the members of the Canadian Legion have to go to another committee before the Senate. So if it is agreeable, let us hear first from the Canadian Legion. I shall now ask Mr. Woods and Mr. Thompson to come up to the head table.

There is another point. The Legion photographer is here and he would like to get a picture. The Canadian Legion representatives have to leave around 10.30, so if we get through with them about 10.20 or so, we might have the picture taken then. The photographer says that it will take only about five or six minutes to arrange. There was a very fine picture in the *Legionary* about a year ago.

Now I shall call upon Mr. Woods, the president of the Canadian Legion to introduce those who are with him and to say what he has to say and proceed with his brief.

Mr. MERVIN WOODS (*Dominion President, Canadian Legion*): Mr. Chairman and members of the standing committee on veterans affairs, first of all I would like to introduce those who have accompanied me here this morning. They are Mr. D. M. Thompson, dominion secretary of our organization; Mr. Murray L. MacFarlane, director of the service bureau; Mr. John Hundevad, editor of the *Legionary*; Mr. D. A. Knight, service officer of the service bureau; Mr. Norman Shannon, public relations officer and Mr. Lorne Manchester, assistant editor of the *Legionary*.

With your permission I shall remain seated.

The CHAIRMAN: Certainly, make yourself comfortable.

Mr. WOODS: In appearing before you for the third time during this session of parliament may we again express appreciation for the opportunities we have had to discuss issues of concern to Canada's veterans and their dependents. We feel that the introduction of Bill C-101, an act to amend the War Veterans' Allowance Act, indicates that the government has been influenced by the recommendations which we have placed before it. We believe that continuation of the policy of referring legislative changes to veterans' affairs committees where we can offer suggestions and information assures the veterans of Canada that the legislation affecting their welfare will receive careful study.

We thank the government for introducing these amendments to the War Veterans' Allowance Act at this session of parliament. We realize that the speech from the throne in November made no mention of this legislation, and we are sure that Canadas' veterans, particularly those in receipt of war veterans' allowances, will be most pleased with the changes, especially the increases in rates. We believe that the concern for the recipients which has been expressed by the members of this committee, both in the house and at your meetings, has been a factor in speeding the government's action with the resultant introduction of Bill C-101.

In 1957 war veterans' allowances and pension rates were increased during the same session. We heartily commend the continuation of this pattern evidenced by this bill. The Canadian Legion feels that the benefits of the Pension Act and the War Veterans' Allowance Act are so closely related that they cannot, in fairness to recipients, be dealt with in different years nor, for that matter, at different periods of the same year. If factors are present at one time which indicate that it is necessary to increase pension rates, then surely, it is also necessary to increase war veterans' allowance rates at the same time.

We also note with satisfaction that these increases follow closely on the revisions in the salaries of civil servants and armed forces personnel. This would lead us to believe that the government recognizes that the same conditions which make necessary the increased salaries of civil servants and armed forces personnel also make necessary increases in the rates of pensions and allowances payable under veterans' legislation. We would like to see this pattern continued so that increases in rates and allowances to veterans and their dependents will follow automatically upon increases given by the government to its employees.

A. Effective date

When the legion presented its brief in February on amendments to the Pension Act we requested that the effective date of the increase in rates should be January 1st, 1961. While the government did not accede to this request, the bill was amended to provide that the pension increases would be effective from the 1st of March. During the debate in the House of Commons and in the discussions before this committee many references were made to the war veterans' allowance recipient who was also receiving a disability pension. The Minister of Veterans Affairs acknowledged that some 13,000 recipients of both awards would not benefit from the increase in the pension rate; thus it is unfortunate that this bill does not provide for the increases in rates and ceilings to be effective March 1st.

The Canadian Legion therefore recommends—

That clause 13 be amended to read as follows:

13. This Act shall be deemed to have come into force on the 1st day of March, 1961.

B. Widows and orphans outside Canada

We note with satisfaction that clause 3 of the bill provides for an amendment to section 3 of the act in respect of widows and orphans of recipients living outside Canada. When the War Veterans' Allowance Act was amended in 1960 permitting payment of benefits outside Canada, our study indicated to us that hardships would exist in the cases of wives and children at the death of the veteran. This resulted in representations by the legion and this remedial amendment. We feel, however, that two limitations still exist which can result in hardship.

(i) Eligibility

We believe that the imposition of Canadian residence on the wife of a veteran is unwarranted and recommend that section 11 of the act be the only restricting factor.

Since the eligibility of a wife flows from the service of the veteran and since the act recognizes this eligibility both in and out of Canada, regardless of her nationality and without requiring prior Canadian residence, we submit

that it is illogical to penalize her on the death of her husband simply because she did not have Canadian residence.

The Canadian Legion therefore recommends—

The deletion of sub-paragraphs (i) and (ii) of sub-section (4) (a) of section 3 of the act as amended.

(ii) *Time limit*

We fail to understand the necessity for subparagraph (4) (a) (iv). This clause invokes a discriminatory time limit not present in this form in any veterans' legislation. This in effect bars a widow, possessing the necessary requirements for an award, from qualifying on a mere technicality. It must be observed that if a widow is granted a section 5 (1) award, she may well be in possession of maximum personal property and hence not apply until her assets have been reduced to that permitted for single eligibility.

The Canadian Legion therefore recommends—

The deletion of sub-paragraph (iv) of sub-section (4) (a) of section 3 of the act as amended.

C. *Exemption—Real property*

Section 2 of clause 5 of the bill provides for an increase in exemption from \$8,000 to \$9,000 in real property assets. This increase is well below the percentage increase in rates and ceilings. On the basis of a resolution adopted at our dominion convention, we included in our brief presented last June, a recommendation that this exemption be increased to \$10,000.

The Canadian Legion therefore recommends—

That clause 5, paragraph (2) be amended by substituting the words "ten thousand dollars" for the words "nine thousand dollars".

D. *Issues not contained in Bill C-101*

In addition to the recommendations which arise from the proposed amendments themselves, there are four points which we ask to have considered. These concern:

- (1) Merchant seamen
- (2) World War I service by Canadians in imperial forces
- (3) World War I volunteers
- (4) Combination of real and personal property assets

(1) *Merchant Seamen*

The Canadian Legion first made representations on this specific subject to the Prime Minister and members of the cabinet in a brief in 1957, and in March of 1959 the same recommendation was contained in the brief which was presented to this committee. In addition, representations have been made by the Canadian Merchant Navy Veterans' Association. It is our opinion that the matter of eligibility of merchant seamen for war veterans' allowance has never been the subject of discussion by this or any other committee. It is agreed that representations dealing with the provision of veterans' benefits generally have been discussed, but never has the discussion been specific on the point of eligibility for war veterans' allowance. The outcome has been that the comparative pay of merchant seamen and service personnel has predominated the discussions with little or no thought given to the actual services these men rendered.

The Canadian Legion submits that whether or not a man received more money for his service during wartime should not be a question in determining qualification for an award under the War Veteran's Allowance Act. Senior

officers, who received a much higher rate of pay than other ranks, are entitled to the same benefits under the legislation if they qualify in other respects. The pay the men of the merchant navy received during the war was indicative of the difficulty that existed in obtaining suitable crews for the ships, because of the hazardous conditions under which they served. While it may be expedient to take this into consideration when determining whether or not gratuities and other monetary benefits should be granted, it seems inequitable that the monetary consideration should be a determining factor at all to prevent them from qualifying for war veterans' allowance. Evidence presented before earlier committees indicates that thousands of these men served under extremely difficult conditions. We know that many of these men are suffering from their wartime experiences, but because of the restrictive nature of the Civilian War Pensions Act they do not get disability pensions, and despite their excellent war service they are now, in many instances, in distressing circumstances. They, too, were available when their country needed them, now when they are in need, they, too, should be recognized by their country for their service.

The Canadian Legion therefore recommends—

That the War Veterans' Allowance Act be amended to provide eligibility for these men who served in the merchant navy and in the T-124 service.

(2) *World War I Service By Canadians In Imperial Forces*

When the act was amended in 1957 extending eligibility to Canadian veterans who had served in the United Kingdom during world war I for at least 365 days prior to the twelfth day of November, 1918, no provision was made for those veterans of Canadian domicile who served with the imperial forces only in the United Kingdom. These veterans are now in a less favourable position than the veteran who served with the Canadian forces.

The Canadian Legion therefore recommends—

That the War Veterans' Allowance Act be amended to provide eligibility for those veterans with pre-World War I Canadian domicile who served in the United Kingdom with His Majesty's forces during world war I for at least 365 days prior to the twelfth day of November, 1918.

(3) *World War I Volunteers*

The Canadian Legion has in its files the cases of many Canadian veterans of World War I who volunteered for service anywhere in the world, but who served only in England for a period which at the present time does not bring them within the qualifications for an allowance. It is appreciated that the amendment in clause 12, paragraph 3 of the present bill will be of some assistance. However, many of these volunteers remained in Canada, much against their own wishes. Eventually they were transferred overseas, but too late to meet the present requirements of the act. Since a man has no control over his own movements once he has volunteered for service for his country, we submit that consideration should be given to extend the basis of eligibility for war veterans' allowance purposes.

The Canadian Legion therefore recommends—

That the War Veterans' Allowance Act be amended to provide eligibility for those veterans who volunteered for active service in any of His Majesty's Canadian forces prior to the coming into force of the Military Service Act in June, 1918, and who served in the United Kingdom during world war I, prior to the twelfth day of November, 1918.

(4) *Combination of Real and Personal Property Assets*

When the equity of a recipient's real property (in which he resides) exceeds the maximum permitted, the board assesses annually 5% of this excess as income. Some recipients may have less personal property than is permitted, but the equity in their home may be in excess of the exempted amount. Since this real property does not in fact return income, but in some instances may even be a burden, we believe that a recipient should be permitted to increase the real property exemption by an amount equivalent to, but not exceeding, that by which his actual personal property assets are below the ceiling provided for such personal assets.

Conclusion

We would again express our appreciation for having had the opportunity to appear before this committee and present the views of our members on this very important legislation.

Respectfully submitted.

The CHAIRMAN: Thank you very much, Mr. Woods. The meeting is now open for questions on the recommendations. Perhaps we might start at the first page and go right along consecutively.

Mr. CARTER: Mr. Chairman, I would like to take this opportunity of complimenting the Legion on this very good brief. It is short and very specific.

The CHAIRMAN: The first recommendation deals with A.—effective date, and the recommendation is on page 4.

If there are no questions on this recommendation, we will pass on to B.

Mr. HERRIDGE: If I may interrupt, Mr. Chairman, the reason for this recommendation is that the Legion believe it is only fair to treat both these classes of veterans the same way, by giving them the increases on the same date. That is the whole basis, because the same circumstances existed.

Mr. CARTER: The effect of the present date in the act leaves pensioners who are also recipients of war veterans allowances without benefits they would have received, if the ceiling had not washed out war veterans allowance benefits.

The CHAIRMAN: We will proceed to section B.—widows and orphans outside of Canada.

Are there any questions on this section?

Mr. HERRIDGE: Mr. Chairman, I am interested in that section because of one case I mentioned, which is within my own experience, when we were discussing the estimates. It was the case of a veteran who was in receipt of war veterans allowance and returned to England less than two years ago, and died; however, his widow, under the present legislation, had to return to Canada and spend a year here. Have you had a number of these cases?

Mr. M. L. MACFARLANE (*Director of Service Bureau, Canadian Legion*): We have not had any of these cases to date. However, this is something which we contemplate could happen.

Mr. BROOME: But the amendment to the act will make it possible for the widow in Britain to collect her pension now, without returning to Canada. That is the point.

Mr. M. L. MACFARLANE: Only in certain circumstances. The only widow who is covered is one who left the country with the recipient or within three months of his departure.

Mr. BROOME: She has to marry him overseas within three months.

Mr. M. L. MACFARLANE: There is no provision as to when they would have been married. However, she would have had to leave the country within three months of his departure. If a veteran were a recipient and went to the United States or England and married some woman there, he would get married rates; however, on his death, this woman could not qualify under the proposed amendment.

Mr. PUGH: Could she qualify, ever?

Mr. M. L. MACFARLANE: She could qualify by returning to Canada. However, she could not qualify if she did not return to Canada.

Mr. PUGH: It is a question of domicile. If she takes up residence, with fixed intentions of living in Canada, she could qualify.

Mr. M. L. MACFARLANE: It is not the domicile. It is necessary for her to return and remain only 12 months and qualify in her own right, and then she could leave the country again.

Mr. McINTOSH: I wonder if the witness could tell us if he is aware of the number of cases involved here, or do you have any information on that?

Mr. WOODS: There would be no way of telling this until we start to deal with them.

Mr. McINTOSH: Have you had any representations from such people?

Mr. WOODS: No, not yet. There has been no right for it to date.

The only representation we normally would get on a matter such as this would be through our ordinary channels, such as resolutions that would come in to us. However, a person who has no right under a statute ordinarily does not come forward claiming one.

Mr. McINTOSH: The reason I asked was because I was wondering if some people were suffering because this has not been in the act, and if so, how many representations you have had to date, or how many representations the government has had. Perhaps there are not too many people affected by this.

Mr. WOODS: To answer the question, we have had none to date. However, we can foresee them coming in.

Mr. McINTOSH: You can foresee them?

Mr. WOODS: Well, if you pass legislation as it is, we see this as a hole in it.

Mr. CARTER: What would be the position of a widow who was domiciled in England, let us say, and has to acquire residence in Canada? Suppose she returned to acquire that residence, could she get war veterans allowance immediately on her arrival, or does she have to stay in Canada a period of time—a year or so to establish residence first?

Mr. HERRIDGE: The case I had in mind, of which I have personal knowledge, was that the veteran was qualified before he went overseas; she reapplied when she got to Ottawa, and she qualified and received the allowance within two weeks.

Mr. CARTER: So, she does not have to establish residence in Canada; she just has to return?

An hon. MEMBER: She has to live here a year.

The CHAIRMAN: Yes, in order to draw it when she went back.

Mr. CARTER: But the minute she returns she can get war veterans allowance.

Mr. PUGH: Would the deputy have any statistical information along this line?

The CHAIRMAN: Mr. Cromb will answer your question.

Mr. W. T. CROMB (*Chairman, War Veterans Allowance Board*): Mr. Chairman, as of the 30th of April, 1961, there were 182 recipients of war veterans allowance outside of Canada.

The CHAIRMAN: I think what he wants to know is how many of those are not qualified if the husband died.

Mr. CROMB: We have had no cases yet that we know of, where the husband has died outside of Canada.

Mr. McINTOSH: Actually, this is a clause based on a hypothetical fact, if you want to call it that, and it is something that may not happen at all.

Mr. WOODS: Well, in a sense, this is correct; it is only the introduction of this particular legislation that opens up this additional possibility, and we thought we should draw it to your attention at this time.

Mr. McINTOSH: The reason I bring this up is this: Do you not think that there are other cases which may be more urgent, and which we should deal with, than something like this, on which you have not had any complaints to date as a Legion official?

Mr. WOODS: This may be true. However, the thing is this: As an organization, trying to assist in bringing the legislation up to the most effective level possible, we felt it our duty to indicate to you the possibility or the probability of these particular widows who are not covered by the legislation as it is presently drafted. It is difficult to say how many will be affected. However, the view that we take is that if there is one, it is still important.

Mr. BROOME: Has the Canadian Legion taken into consideration dealing with a hypothetical case such as this? A pensioner goes over to England—he is not a very young man—and he is living in a boarding house or some place and, as he gets older, somebody comes along—a younger woman—and she decides to marry him for the purpose of gaining a pension for life. Although there is no question of consummation of the marriage, or anything like this, it may be a means of setting up trafficking in pensions.

Mr. WOODS: There are two obvious answers to that, the first one being simply because there may be an abuse of a process does not mean that everybody should be deprived of it; secondly, this same situation can obtain in Canada, and I do not see any essential difference, if the woman has to get her right through the husband's service, whether it is in England or in Vancouver. It does not make any difference.

The CHAIRMAN: Shall we pass on to C.—exemption, real property.

Mr. BENIDICKSON: Are we completing all these sections now, or only in so far as the examination of the witnesses is concerned?

Mr. BROOME: Just the witnesses.

Mr. BENIDICKSON: Will the members of the committee be given a further opportunity of discussing these points?

The CHAIRMAN: We can discuss it as we go through the bill.

Mr. BENIDICKSON: Will we be given an opportunity of discussing A, B, C and D later?

The CHAIRMAN: Yes, as we go through the bill.

Mr. BENIDICKSON: I ask this question because there may be certain things in A, B, C and D which we would like to discuss, as members of the committee, and would not necessarily want to pose questions to the witnesses in this regard. I would hope that after the examination of the president, we would have an opportunity to make some comments in connection with the brief.

The CHAIRMAN: I do not understand what you mean, Mr. Benidickson. After we have finished with the Legion and the other delegation, we will start going through the bill.

Mr. BENIDICKSON: What other delegations are here?

The CHAIRMAN: There is one other.

Mr. BENIDICKSON: On the bill?

The CHAIRMAN: Yes.

Mr. BENIDICKSON: The reason I am asking is because I am obliged to leave for five or ten minutes in order to go to a Senate committee on this class or kind legislation, and I would hope to be back in time to participate in this.

The CHAIRMAN: We hope to have you back when your picture is taken which will be ten-thirty.

Mr. BENIDICKSON: That will bring me back.

Mr. MURRAY L. MCFARLANE (*Kootenay East*): Mr. Chairman, I also have a case that could come under this.

What would happen if a veteran goes to England, marries there, and from the marriage there are two children; then, he subsequently dies and passes out of the picture. In that case, what position would that place the widow in who never has been a Canadian citizen?

The CHAIRMAN: Have you studied section 3, subsection (2) of the act, Mr. McFarlane?

Mr. WOODS: Mr. MacFarlane will comment on this.

Mr. M. L. MACFARLANE: Well, unless this woman left Canada with the recipient, or within three months of his departure, on his death she would not be eligible for an award, and neither would the children, without returning to Canada.

Mr. MURRAY L. MCFARLANE (*Kootenay East*): What I am getting at is that she has never been in Canada; she is still in the old country.

Mr. M. L. MACFARLANE: She would not qualify for an award unless she returned to Canada.

The CHAIRMAN: Would the children?

Mr. WOODS: The thing is, Mr. MacFarlane, she never has been here.

Mr. CARTER: Is there any reciprocal legislation for veterans in Britain, under which that type of case could be taken care of?

Mr. WOODS: There is no specific legislation we know of, relating particularly to these people. Of course, there is social security legislation in Britain, which would pick up a good bit of it.

Mr. CARTER: We have made provision in our legislation for imperial veterans living in Canada, and their widows, and I was wondering if the British government has made any comparable provision for Canadian veterans living in England.

Mr. D. M. THOMPSON (*Dominion Secretary, Canadian Legion*): My understanding is that much of the social legislation in Britain is broader in coverage than ours, and that many of the Canadian veterans who have been over there are provided for under various parts of the British welfare legislation, whereas, we do not have a counterpart here. That is one reason why this group of imperials were brought in. There is not the same need for specific veteran welfare legislation.

Mr. WEICHEL: If that lady does come back to Canada, is it correct that she has to be here for a year before she qualifies?

The CHAIRMAN: No.

Mr. WEICHEL: She qualifies right away?

The CHAIRMAN: Yes.

Mr. PUGH: In connection with these recipients of welfare legislation, I think the fair parallel would be British nationalists residing in some other

part of the world, say France, Germany or elsewhere, who are veterans of either war, and in those circumstances, as far as I have been able to find out, in no instance would they benefit in these countries in any way, shape or form? In other words, if there were "X" number of British Isles veterans who were eligible for a pension in the British Isles, I doubt very much if they would get a pension in Germany or anywhere else.

Mr. WOODS: No.

The CHAIRMAN: Either from the German government or the British government?

Mr. MURRAY L. MCFARLANE (*Kootenay East*): Mr. Chairman, this brings up another line of thought in this case to which I have referred. Suppose the wife then—and, actually, she is the second wife—goes back to Canada with the two children, then they are eligible for a pension. However, how far does this proceed? Conceivably it could be the third and fourth wife, if he lasted through that far.

The CHAIRMAN: I take it, only one at a time.

Mr. MURRAY L. MCFARLANE (*Kootenay East*): Yes, only one at a time; I quite agree with you. I am thinking of the responsibility. In this case, the man lost his first wife in Canada, went to England and married again. Then, if he passes away in England, and his second wife comes to Canada, do we still have that responsibility?

Mr. WOODS: Why not?

Mr. HERRIDGE: Some of the witnesses have accused the Legion of being a bit hypothetical; I think Mr. McFarlane was a bit hypothetical when he dealt with three or four cases.

The CHAIRMAN: Shall we pass on to the examination of real property? The act raises it to \$9,000. Are there any questions on that?

Mr. CARTER: This is a matter of record—and I do not expect an answer immediately to this, but perhaps some time someone from the war veterans allowance board could tell us just what is the average equity the veterans have in their homes, or the range of equity?

The CHAIRMAN: Perhaps we could get that information when we are discussing the bill.

Mr. BROOME: I have one question which has to do with time limits. I am not quite clear what is meant on that.

Mr. WOODS: This is at page 5, at the bottom of the page.

The situation that will obtain, as we understand it, under the proposed legislation, as presently drawn, is that if a veteran is in another country, where he dies, his widow would then remain under the full married rate for a year; however, at the end of the year she would have to apply, under the legislation here, for an allowance within twelve months from the date of the recipient's death—of her late husband's death. This would mean she would have to go through this procedure of applying, and we see no real reason for it. It could result in her losing her status under the act, if she did not know. In Canada, where we have war veterans allowance representatives available, in the normal course of events she would be told about this, and in the normal course of events, application is made. However, as we have set out here, she may not actually qualify at the end of the twelve months; she may have personal property which will disqualify her. But, as this is drawn at the present time, if she uses her personal property so that she would again qualify, she would be barred under this, unless she had made application for it within

twelve months. Now, making application within twelve months, it seems to us would be a little silly, if she was not entitled to it; yet, if she does not make the application within twelve months, she is barred from ever getting it.

Mr. HERRIDGE: It is her change of status from a married person to a single person, which causes this complication.

Mr. WOODS: Yes. It seems to us that if she is entitled to the married rate on the death of her husband, she should go on and receive it, and if you want to put the onus on someone, put it on the department, to examine her circumstances at the end of twelve months, and if she is not qualified, take her off. I can just see some woman, who is down in the States, not knowing about this, just overlooking it, and ending up losing her complete entitlement because of what seems to us more or less of a technical requirement.

Mr. CARTER: That is a good point.

Mr. HERRIDGE: It is a very good point.

Mr. PUGH: On that point, where this circumstance arises—that is, a recipient of war veterans allowance married, then died, the department would immediately be notified, I presume, by the widow or the estate and, at that time, the year's payment commences. Does the department issue anything to her telling her she would be eligible?

The CHAIRMAN: Mr. Pugh, if you would make a note about that, it is something which the department will answer when we are going over the act. Time is very short, and we are anxious to get along. I think these questions should be reserved. I do not think the Legion is competent to answer them.

Mr. PUGH: Very well, I shall not press it.

The CHAIRMAN: I am told that the members of the Legion do not have to go to the Senate committee this morning, so we need not be pushed so much. Please make a note of it. Let us pass on now to "Exemptions—Real Property", and the difference between \$9,000 and \$10,000. Are there any questions?

Mr. WEICHEL: I think the recommendation for \$10,000 sounds very reasonable, but I wonder if Mr. Cromb could tell us what difference it would make financially—I mean that extra \$1,000—what would it mean being under that clause or out of it?

The CHAIRMAN: That again is a departmental question. If you will make a note of it, we will discuss it later.

Mr. WEICHEL: All right.

The CHAIRMAN: Are there any other questions of the Legion representatives?

Mr. CARTER: I agree with all the four recommendations made on page 7 under section D, but I note you have left out the rescue tug service.

Mr. WOODS: That, I believe, is the T.124 service, and I think you will find it included actually among the specific recommendations on page 9.

The CHAIRMAN: Are there any questions under the four headings concerning merchant seamen?

Mr. HERRIDGE: In connection with real property assets you make that suggestion as a result of some experience with cases where the eligibility was affected on those grounds?

Mr. M. L. MACFARLANE: I think there are cases where a person has property which, for war veterans allowances purposes, is assessed—or rather where the board estimates or considers they have an equity in excess of that which is permitted, but where they may have less actual personal property

than they are permitted. So it was felt that since they were assessed in excess on their real property by 5 per cent, and since there is a margin in their personal property, it was felt that this could be passed on to them by increasing their exemption in real property.

Mr. BROOME: This is the assessed value of the real property, not the selling price?

Mr. M. L. MacFARLANE: No, it is not the selling price, but I do not think it is the assessed value either, because a man may have a home for which he has paid \$15,000, but perhaps there is a \$10,000 mortgage on that home, and his equity in it is only \$5,000. So I believe that is the yardstick which the board uses.

Mr. M. L. McFARLANE (*Kootenay East*): How would this exemption affect the revenue on a property in the amount of \$300? I have in mind a case where a chap receives revenue from his property which he sold to his son, and that revenue is in the amount of \$300. He is advised by D.V.A. representatives that it will be taken out of his war veterans allowance.

The CHAIRMAN: Is it rent?

Mr. M. L. McFARLANE (*Kootenay East*): That is right.

Mr. WOODS: This would not affect it.

Mr. KENNEDY: With respect to the amount of equity which a recipient is allowed to have in a property, if you increase it any more, you are widening still further the gap between the recipient who does not own property, but who must pay rent, and the person who is fortunate enough to have property. At the present time the recipient who does not own any property at all gets no more allowance than the person who does have property.

Mr. BROOME: And you might have this condition: if you should live in a small town where property values are low, and you buy property for \$4,000, then, according to this definition, you could have cash in the amount of \$6,000, \$7,000 or \$8,000. Now, if you drop down one, does it not work the other way, too?

Mr. WOODS: I think the thing that comes out of having more real property—and this committee seems to be dealing with it—is twofold. In the first place, the veteran who has larger and better property will be more comfortable. But for the purposes of the act, he will not have any more revenue. However, it is not revenue that we are discussing. The man who has a \$10,000 or a \$15,000 home, and whose financial circumstances are such that he otherwise qualifies for the war veterans allowance—he has over another veteran across the street this \$15,000 home, which is a nicer place to live, but he does not have any more money to come and go on. Secondly, having this larger home, and not having any revenue from it, he is placed in the position of having a larger outlay. His taxes will be higher, and so on; so, to that extent he is not as well off as the man in the smaller home. Those two things, it seems to us, are the basic factors here; rather than to say that if a man is worth so much we will reduce him, or we will not allow him to receive any more money under this act. We feel that it is the effect of circumstances that we want to consider, and that the size of his house really does not matter, if he does not have other income, as it were, to go with it.

Mr. McINTOSH: I would like to ask Mr. Woods about a case where a man is about to make application for the war veterans allowance. War veterans allowance is assistance in case of need. If he has, let us say, \$9,000 or \$10,000, and he invests it in a home, and then proceeds to apply for war veterans allowance, do you think it is right?

Mr. WOODS: Of course, if this question is related to a \$2,000 home or a \$8,000 home, or a \$9,000 home, no, I would not think it would be right.

Mr. McINTOSH: I do not think the Legion would like a situation like that, but you could not say that it does not happen at times?

Mr. HERRIDGE: I think that it is very rarely you would find a veteran applying for war veterans allowance who is investing a large sum in a new home. I think he would be looking for a modest place in which to live.

Mr. McINTOSH: I have known of cases where a veteran had money and invested it in a new home and then applied for the war veterans allowance.

Mr. WOODS: As long as he is simply prepaying for shelter, there is not too much the matter with it, if that is what he is doing.

Mr. McINTOSH: No, except that the Canadian people have to pay for this war veterans allowance; and is it fair to the Canadian people to have to pay for a situation like that?

Mr. KENNEDY: Actually, the more you increase this, the more you are allowing the veteran who owns property to build up an estate to leave to someone else.

Mr. M. L. MACFARLANE: I think we should bear in mind that many homes today are much more valuable than when they were built by veterans many years ago, and while we do not know the exact procedure used by the district authorities of the board to determine the equity in a home, in many of our larger cities homes which were constructed for perhaps \$4,000 twenty years ago would today be selling at \$24,000. If the district authority tries to consider that, when determining the equity in a home running from \$10,000 to \$15,000, let us say, this is going to reduce the award simply because the veteran is fortunate or unfortunate enough to live in an area which has seen a lot of expansion. We do not think he should be penalized to this extent. This additional exemption will not permit him to have any more cash than anybody else, but it would give him an extra \$4 to \$8 a month.

Mr. McINTOSH: But you will admit that his earnings are increased proportionately?

Mr. M. L. MACFARLANE: Yes, I would agree to that.

Mr. BROOME: You do not mean to suggest that because the property has increased in value that it is penalizing him?

Mr. M. L. MACFARLANE: It is penalizing him in that his maximum income is reduced.

Mr. WEICHEL: As Mr. McIntosh has said, suppose a man has put \$10,000 into a home: how different would he be today from a man who did the same thing ten years ago, and who qualifies today?

The CHAIRMAN: I think those are arguments to be used between yourselves. Make a note of them for use when we come to discuss the bill.

Mr. HERRIDGE: It is a most hypothetical situation.

The CHAIRMAN: Yes, it is.

Mr. PUGH: I wonder if the Legion has considered the possible case of a man who may have put from \$4,000 to \$8,000 into a home, and who may have cash in the bank to the amount of \$4,000 to \$10,000, and who then goes to hospital for treatment, or becomes ill. If he is in his own house, and he puts that money into his house, then he will be looked after under the act? I believe that is another reason why he would do this. Frankly, I cannot see anything wrong with a veteran who has a certain amount of money putting it into a house. I think there is more benefit to him if he is allowed to do it under the

act. The increase, I feel, has gone up from time to time with respect to the total amount he is entitled to have in a particular house, and I cannot see at the present time stretching it any further.

Mr. McINTOSH: This is another hypothetical case. If a person has \$10,000, and he feels that he is going to be hospitalized, or is going to become ill, and he invests it in some concrete asset which could not be touched, and then applies to the city for welfare, what do you think the rest of the people of Canada will think? I think it is the same situation here.

The CHAIRMAN: Let us pass on now to page 7. I think this has been pretty well covered. Are there any comments on the heading "Merchant Seamen"?

Mr. BROOME: I come from a seaport, and I have done a lot of studying on this matter of merchant seamen. I still do not agree that they are being covered under other legislation in the way they could be, and I think this is an excellent point.

The CHAIRMAN: Is there anything else?

Mr. SMITH (*Lincoln*): Could the members of the Legion give us an idea of how many persons might be involved in this merchant seamen class?

Mr. WOODS: I am advised that previous committees obtained a figure of something like 10,000 who might be affected, but we do not know how many of them would actually qualify. The difficulty, of course, in giving statistics of this type, from our point of view, is that we do not go out and circularize all merchant seamen to find out whether or not they would qualify; so it is only when legislation comes into effect that you will actually find out how far it will go. Of course, our organization does not proceed solely on the basis of numbers. If there are one or two who are deserving, then we feel it is justified.

Mr. SMITH (*Lincoln*): I am sympathetic towards this request, but I wonder how many would be involved?

Mr. WOODS: I cannot tell you.

Mr. HERRIDGE: I have been a member of this committee since 1945, and I have listened to a great many representations. I do not represent a maritime area myself; I come from the interior, but I have run into a few cases of what I thought were most unjustifiable hardship. Therefore I think this is a question which should receive further study. If there is a small number, even, who have not been treated fairly in this respect in relation to their service, I think we should recommend that this matter receive further study and consideration, when we get the opportunity to do so.

The CHAIRMAN: What about section 2?

Mr. CARTER: I have been pressing for this for quite a long time. I wonder if the Legion, in their thinking, have set any limitation as to what groups of merchant seamen could benefit, and what groups are to be excluded? You would not think of including a merchant seaman who served on the great lakes, for example, I presume?

Mr. WOODS: We have not gone into that as yet, because we have not had any indication, as far as I know, that any serious consideration would be given to it. But we will certainly be prepared to come up with suggestions if we see any indication that it will go ahead. In answer to this question as to whether or not seamen on the great lakes should qualify, I would not be able to answer it. I do not have any evidence or any given cases on it, but generally speaking, our view is that where these people were subjected to hardship on account of the fact of the war going on, they should be included in the type of legislation we are considering today. Most of it was probably more in the nature of combat service; although, to take a hypothetical example, I do not see why a person who was forced to work exceedingly long hours,

and who might have suffered all the rigours of those who served on the great lakes because of some wartime conditions, should be in any different situation than someone else. Our thinking has been that these merchant seamen were subject to the perils of submarines and other dangers.

Mr. BATTEN: I think this is a most worthwhile recommendation, and while I can understand that it is difficult to know with any accuracy how many men might be involved, I would move that the Legion and other bodies concerned make an examination of this problem and find out exactly what it entails.

Mr. KENNEDY: Just as a matter of interest, I would like to ask the Legion if they accept merchant seamen into full membership?

Mr. WOODS: They are not now eligible.

Mr. KENNEDY: All of them?

Mr. CARTER: Are any merchant seamen eligible?

Mr. WOODS: No. Where is our file?

Mr. BENIDICKSON: Perhaps we might have clarification from the members of the Legion, if they would give us an idea of the territorial area in which they consider there was active war service.

Mr. WOODS: Mr. Chairman, under our present bylaws, this is the qualification:

Any person of good character:—

(1) . . . who enlisted for active service anywhere in any of Her Majesty's forces and who has been discharged therefrom under conditions other than dishonourable, including those who served in an actual theatre of war during any war in which Canada has been engaged in any of the following services: mercantile marine, merchant navy, fishery patrol service, corps of Canadian fire fighters, war correspondents, auxiliary services, Canadian Red Cross, St. John Ambulance corps, ferry command and those members of the Newfoundland forestry (overseas) unit who were awarded the defence medal.

Mr. CARTER: Might I ask the Legion if they would consider in their future briefs being more specific in their recommendations with respect to the merchant navy? I think we recommended it on numerous occasions; but I think that other than a recommendation, if we could pinpoint it a little more definitely as to just what groups we are interested in, and perhaps give a few illustrations, we would have a better chance and we would make out a better case.

Mr. McINTOSH: Might we also have included in the record the rates of pay that the merchant marine were getting, so that we might compare them with the rates of pay of the service personnel?

Mr. CARTER: I think that has been placed on the record in previous committees, when we had some representation here from the merchant marine.

Mr. BENIDICKSON: Does the recommendation of the Legion with respect to merchant seamen originate with a resolution from a national convention, and if so, did the resolution of that national convention use this same term, "merchant seamen"?

Mr. WOODS: The resolution of our 1960 convention, Mr. Benidickson, through the chairman, read as follows:

The Canadian Legion therefore recommends that the War Veterans Allowance Act be amended to include these veterans of the merchant navy and T.124 service.

The discussion that we had in relation to this made it obvious that the people who were interested were those who were exposed to danger. And as far as delay is concerned, if this committee is seriously considering dealing with it, it would not be too difficult to come up with something which would certainly be a suitable beginning. I might suggest service on the high seas for some period of time during wartime would be all that is needed. We could certainly make recommendations along these lines very quickly if you were disposed to proceed with it. However, so far we have only been endeavouring to establish the principle, and we are hoping that perhaps either in this legislation, or in other legislation, you may be considering something to be done about this.

Mr. BENIDICKSON: When the qualifications for membership in the Canadian Legion were recited, the various categories started with mercantile marine, then merchant navy, fishery patrol service, and the subsequent group of organizations which were recited by the president a few moments ago. Which of them are now eligible for war veterans allowance, and which of them are not eligible for the war veterans allowance?

Mr. WOODS: Well, the list started with mercantile marine, and merchant navy. These are not eligible. Then there was the fishery patrol service, and the corps of Canadian firefighters, war correspondents, and auxiliary services, and they are not eligible.

Mr. CROMB: They are not eligible.

Mr. WOODS: And the auxiliary services?

Mr. CROMB: The supervisors, only, are eligible.

Mr. WOODS: I am advised by Mr. Cromb that in the auxiliary services the supervisors, only, are eligible. Then there is the Red Cross, the St. John Ambulance Corps, and the Ferry Command, and none of these are eligible. And then we have those members of the Newfoundland Forestry (overseas unit) who were awarded the defence medal. They are not eligible, either.

Mr. HERRIDGE: Mr. Chairman, I think it is quite clear from the explanation the persons that the Legion is suggesting should receive the allowance. However, I think my former suggestion was a good one, that the matter requires serious consideration and study in order to pinpoint just who would be eligible because of service.

The CHAIRMAN: Are there any more questions on this particular item?

Mr. BENIDICKSON: It has been suggested, Mr. Chairman, that we perhaps have from the Legion—to use Mr. Herridge's phrase—a further pinpointing in so far as the areas of service and so on that might be in the minds of the Legion when they advanced this suggestion. When is it proposed that this committee will receive from the Legion their further submission in this regard?

The CHAIRMAN: The committee will decide that. It will not be the Legion that decides it.

Mr. BENIDICKSON: Not "decide"; it is a question of getting a recommendation from the Legion, covering their submission in a more pinpointed manner.

The CHAIRMAN: They told you they would do it whenever we wanted it.

Mr. WOODS: If you want it, we will get it for you today.

Mr. BENIDICKSON: That is the point in question. A number of members have said they do want it, and I wonder when it will be available.

The CHAIRMAN: Are there any more questions on this subject? If not, No. (2)—World War Service by Canadians in Imperial Forces is the next subject. Are there any questions?

Mr. BENIDICKSON: On this particular matter, Mr. Chairman, it seems to me there is a close analogy with the recommendation that is before us here, respecting imperial forces and decisions made by parliament with respect to eligibility for old age security and old age assistance. I think we have always, in the common language, related the war veterans allowances to the pension provided on an old age basis to non-veterans. War veterans allowances, in the thought of many, is regarded as "burnt out" pension—a pension provided to a veteran on the recognition that by reason of the hardship of his war service, he perhaps aged prior to the aging of the ordinary civilian, and thus received from the state some assistance prior to the time of payment of an old age pension to a non-veteran. That being so, I wonder if there is not justification for this committee to consider—

The CHAIRMAN: What is your question, Mr. Benidickson? This is a question period.

Mr. BENIDICKSON: I am asking if there is not justification for this committee, in connection with this recommendation from the Legion, to consider what parliament has done with respect to the ordinary civilian pension in regard to the residence of a person. We have been increasingly more generous in the period of residence for qualifications—

The CHAIRMAN: May I ask you, Mr. Benidickson, to form your question, because this is a question period. If you want to discuss it before the committee, that is quite all right; you can do that when we get to that stage. You are just making a speech as to what we should do now.

Mr. BENIDICKSON: I am asking the president a question, and I have to build up my question.

I am asking whether or not the Legion have given consideration to some qualification to this recommendation, which perhaps would limit the payment to an imperial veteran in a manner that Canada limits payment to a civilian immigrant, requiring a certain length residence in Canada. Suppose a member of the imperial forces arrived in Canada last year. He would not be entitled to the old age security payment until after he had a certain residence here. Does the Legion feel that he should receive this pension, under means testing, just as soon as he was found eligible, if he had been in the Canadian forces, regardless of the fact that a civilian immigrant would have to have a certain residence period here before he would be entitled to the old age security payment?

Mr. WOODS: In so far as the civilian is concerned, we do not want to go on record as passing any opinion in regard to that, or advising the committee as to any doubt it might have in that respect; however, with regard to the problem that we are posing here, it simply comes to this: that we can see no basic, or real distinction between a Canadian such as we have described here, who decided to serve with the British forces, and one who decided to serve with the Canadian forces. This is all.

Mr. BENIDICKSON: Oh, I see.

Mr. WOODS: That is all that we are talking about.

Mr. BENIDICKSON: The person involved must have had a residence in Canada prior to enlisting in the imperial forces?

Mr. WOODS: Yes.

The CHAIRMAN: Gentlemen, the Legion photographer is waiting outside, and, as I suggested, the wish has been expressed that a picture be taken.

We will adjourn at this time until two-thirty this afternoon, in this room. The picture will be taken now.

AFTERNOON SITTING

THURSDAY, June 8, 1961

The CHAIRMAN: Gentlemen, will you come to order, please.

We will continue with the Legion representatives: the president, Mr. Woods, Mr. MacFarlane and Mr. Thompson.

At adjournment we were dealing with the Canadian Legion's recommendation that the War Veterans Allowance Act be amended to prove eligibility for those men who served in the merchant navy and the T.124 service. I think we finished with that subject.

We will proceed now to No. (2), World War I service by Canadians in Imperial forces, and the recommendation is on page 10. If there are no further questions in this connection, we will proceed to No. (3), World War I volunteers.

Mr. HERRIDGE: Mr. Chairman, would the president of the Legion mind giving us a little further explanation of the reason for this recommendation? It is very interesting.

Mr. WOODS: It is basically this, Mr. Herridge. We feel the 365 days is, in many cases, too long a period, and it is, in effect, a request that this be reduced. That is what it amounts to. That is, for volunteers, only.

Mr. CARTER: Why not eliminate it altogether? If you are going to cut down the 365 days to a lesser amount, why not do away with it completely? I would like to see that.

Mr. WOODS: In effect, that is what we are asking.

The CHAIRMAN: In other words, every volunteer?

Mr. WOODS: Actually, our request does not go to every volunteer but every volunteer who saw service in the United Kingdom, and so on.

The CHAIRMAN: Are there any further questions? If not, the next is No. (4), Combination of Real and Personal Property Assets.

Mr. BROOME: We have done that one.

The CHAIRMAN: It is set out on page 11. Are there any questions on that?

Mr. SMITH (*Lincoln*): What does the Canadian Legion mean by that?

Mr. BROOME: We covered that this morning.

The CHAIRMAN: We did discuss it to some degree.

Mr. SMITH (*Lincoln*): There was mention made about if he has property of his own, and when the equity of a recipient's real property exceeds the maximum permitted, the board assesses annually 5 per cent of this excess as income.

Mr. WOODS: It is, in effect, as far as the amount of real property that the veteran is allowed to have, you combine the real and personal assets. For example, you had \$10,000 allowed for real property, and \$2,500 for personal property. This would give you a total of \$12,500. We are requesting here that if he has only \$1,500 worth of personal property, that you allow him an additional \$1,000 credit. You lump it together to give him a little bit of flexibility, although this is just in regard to the real property. We are not asking that it work the other way.

Mr. BROOME: But, if you do lump it, it would have to work the other way, unless you rewrote this. The way this is written, you could have \$6,000 worth of real property, and then \$6,500 cash.

Mr. WOODS: No. I am sorry, but we certainly did not intend that. If you had \$6,000 real property, you could only have \$2,500 whatever the limit was on the personal property. But the flexibility we are asking for is in the real property, only.

Mr. BROOME: Well, then, you could not just combine real and personal property assets and have a total.

Mr. WOODS: Except for the purpose of determining the amount of real property; that is all. It is limited in that respect.

Mr. MCFARLANE (*Kootenay East*): Is there any consideration being given to the raising of the income? As I mentioned before, in a case this morning, he is receiving an income of \$300 a year, and this is being deducted from his allowance. Has there been any consideration given to increasing that amount?

The CHAIRMAN: Do you mean under the amendments?

Mr. HERRIDGE: In the bill.

Mr. HENRY FRANK JONES (*Parliamentary Secretary to the Minister of Veterans Affairs*): The income ceilings are being raised.

Mr. MCFARLANE (*Kootenay East*): I was wondering why it was not mentioned in the brief.

Mr. BROOME: Because it already is done in the act.

Mr. HERRIDGE: These are criticisms of the bill.

Mr. MCFARLANE (*Kootenay East*): All right.

The CHAIRMAN: Are there any further questions you would like to ask Mr. Woods? If not, I have another little matter here before we finish up, in connection with the merchant marine.

Mr. Woods has prepared a statement which we would like to have attached to the minutes of today's proceedings.

Is it agreeable that this statement be made an appendix?

SOME Hon. MEMBERS: Agreed.

(See Appendix A.)

The CHAIRMAN: Is there anything you wish to add in the way of comment on this, Mr. Woods?

Mr. WOODS: No. This statement which is being attached to the minutes, pursuant to your agreement, was prepared over the luncheon hour, pursuant to the request of, I believe, Mr. Benidickson.

Mr. O'LEARY: How long would it be?

Mr. WOODS: It is about two and one-half pages of foolscap, and I do not think we have anything to add, as it is self-explanatory. I hope it will be helpful, if you consider this aspect of it.

The CHAIRMAN: Thank you very much, Mr. Woods, Mr. Thompson and Mr. MacFarlane.

Mr. CARTER: Is that statement going to be written into the record at this point, or made an appendix?

The CHAIRMAN: It will be Appendix A. We do not want to get this mixed up.

Again, thank you, gentlemen, for your attendance, your suggestions, and your advice.

Mr. WOODS: May I, on behalf of my colleagues and myself, thank you, Mr. Chairman, and your committee for another courteous and kindly hearing. Thank you very much.

The CHAIRMAN: We now have with us Mr. Harpham and Mr. Parsons of the Canadian Corps. They have no brief, but Mr. Harpham would like to make a short statement, and then you may ask questions.

Mr. STANLEY HARPHAM (*Dominion President, Canadian Corps Association*): Mr. Chairman and gentlemen, as we were here three weeks ago with a brief, containing approximately 18 resolutions—and a lot of them with regard to war veterans allowances—we did not consider it opportune to bring a brief

here today. Frankly, we did not have time. We did not receive a copy of this bill until last Saturday, and due to other functions being held in Toronto last week—the 70th reunion of the 48th Highlanders and the Garrison parade on Sunday—it was impossible to convene a meeting whereby we could bring forward further resolutions for this committee in connection with the questions I brought up at that time. If I may I would like to tell you something which has happened subsequent to our being here on the 18th. In a Toronto newspaper, on the Saturday following the day we were here, an article appeared which I would like to read:

A delegation headed by Stanley Harpham of Toronto, dominion president of the Canadian Corps association, has presented a brief to the commons committee on veterans affairs asking that veterans of world war I be allowed to qualify for the war veterans allowance under the same rules as world war II veterans.

That article did not give any address of any kind. The following week I received a letter from a lady in Midland. She addressed it to me care of the Department of Veterans Affairs in Ottawa. It reached me. She said:

In the *Telegram* Saturday we saw where you are going to Ottawa regarding the world war I veterans and we would like to know—

I will not repeat the man's name or even his regimental number. The letter continues:

—if . . . would be in that category of veterans as he was a veteran of world war I and is now a very sick man with a heavy medical account and is only drawing the old age pension which is \$55 and barely meets the doctor's account and Ontario hospital fee. I am his dependant, and I have been advised to write you and look into the veterans aid allowance for world war I veterans. He developed rheumatism when in England through dampness, etc., but was discharged physically fit when war closed. He now has arthritis and cancer and although not bedfast yet cannot walk without assistance. We belong to a family of soldiers. Our great-grandfather was a British soldier in 1812 connected with Colonel Gunn. My eldest brother is a veteran of the South African war. Two brothers are world war I veterans and two nieces were in the W.A.C. in world war II. My brother is a total invalid and we would be very glad if he could qualify for the allowance. I am his only sister and all he has to look after him. I am his only dependant.

It goes on further and mentions other things.

The CHAIRMAN: May I say that we do not consider individual cases in this committee.

Mr. HARPHAM: I just point this out to show that it came up as a result of our being here previously.

The CHAIRMAN: I would advise you to refer this to the department.

Mr. HARPHAM: We have already done that. I wanted to point out that there are many in this category whom we feel should be eligible for war veterans allowance.

We presented a resolution somewhat similar to the one presented by the Canadian Legion. In our resolution we asked for this to cover all world war I veterans. The Legion asks that it provide eligibility for those veterans who volunteered for active service in any of His Majesty's Canadian forces prior to the coming into force of the Military Service Act in June, 1918, and who served in the United Kingdom during world war I, prior to November 12, 1918. We prepared to endorse the Canadian Legion's recommendation in respect of the 365 days. We still think that veterans of world war I should be placed on the same eligibility in respect of war veterans allowance as are veterans of world war II. Many of these men, when they enlisted, did not know whether or not

they would go overseas. They were volunteers. They went where their duty directed. I do not think they should be penalized now. We are penalizing them if they did not serve in England for 365 days. The comparison we make is if a man in world war I got to England for only two weeks and then served in world war II he is what we call a dual-service veterans and is given the war veterans allowance. On the other hand, the man in world war I who served 300 days overseas is cut off.

That is all I have to say regarding this. We are very pleased with the allowances you are granting in this bill. We think they are adequate and we are very appreciative that you are going to do this. We would like, however, further consideration of this matter of world war I veterans and this question of 365 days. Thank you, Mr. Chairman.

Mr. E. J. PARSONS (*Dominion Pensions Advocate, Canadian Corps Association*): Mr. Chairman, Mr. Harpham has actually said all I was going to say. I am authorized to say that we, as an organization, support without question the resolution submitted this morning by the Canadian Legion requesting the elimination of the 365-day overseas service clause so far as voluntary service in world war I is concerned. We feel very strongly on that. We really feel it should come out. What you have in this bill now is just a little teaser. I do not think it will do much good.

I still think of the man I buried a few days ago, who was three days short of the 365. The provisions in subclause (3) of clause 12 would not do him any good; he would still be short a few days. We had better do more than this. While we are at it, let us do it right. Pretty soon there will not be many of these veterans left. Now that we are in a position to do some good, I suggest very strongly that we do make an effort to have this fixed now. There still are many of these men who have three, four or more years' service on a voluntary basis in world war I who, because they did not get overseas soon enough, are now a charge in the veterans' organizations. We do not feel they should be. As I said on May 18 I sometimes feel it is easier to take care of an allied veterans than one of our own with world war I service.

Seeing that we are speaking about war veterans allowance, I would ask you not to overlook one of the resolutions in our brief of May 18. Resolution No. 5 asked that you grant eligibility to ex-service women who served in world war II for not less than 365 days; that is, women with single status or widowed without domestic support or self-maintenance, and who, although they willingly volunteered for theatre of war service, were not called to overseas service and have now reached age 55. That is one thing I would like you to give consideration to.

Please believe me when I say we are sincerely behind our friends of the Legion in their supplication to you today in respect of this 365 days matter. We want it out just as badly as they do. I would ask you to give this your most serious consideration.

Thank you, Mr. Chairman.

Mr. BEECH: I am wondering if the witness realizes that the time both going from Canada to Great Britain and coming back is included.

Mr. PARSONS: In this case the man to whom I am referring went over at the end of November, 1917, and did not return to Canada until 1920. He was in the army of occupation, and therefore he would only get credit for a one-way trip.

Mr. HERRIDGE: There would be quite a number in this category.

Mr. PARSONS: Yes.

Mr. HERRIDGE: That is in relation to the total number who would be benefited?

Mr. PARSONS: In answer to my friend, I do not believe that the number is really staggering; but there will be quite a few; and we have a few in each

branch who are just more or less dependent on the organization for support, and on local charity, because of that clause. If they were second war veterans, there would be no question; and in some cases, if they were allied veterans, there would be no question about it.

Mr. HERRIDGE: I did not mean that there would be a large number, but only in relation to the total number who would be benefited by the act which you suggest.

Mr. PARSONS: I get it.

The CHAIRMAN: Are there any further questions? If not, gentlemen, that sums it up, I think. We thank you very much for your attendance today and your support for these first world war veterans. I think we will have a look at your brief before the whole thing goes up. Now, each group would like to have some copies of our minutes of today's meeting. I have asked Mr. O'Leary to move that extra copies be printed.

Mr. O'LEARY: I move, in view of the special circumstances of today's meeting—

The CHAIRMAN: Yes, the Canadian Legion and the Canadian Corps—we do not have any copies to deliver them unless the committee authorizes the printing of extra copies beforehand.

Mr. O'LEARY: Yes. I move that the committee have printed 2,100 additional copies in English and 200 additional copies in French of the minutes of proceedings and evidence of today's evidence.

Mr. BATTEN: I second the motion.

The CHAIRMAN: It has been moved by Mr. O'Leary and seconded by Mr. Batten that the committee be authorized to have printed 2,100 additional copies of the minutes of today's meeting in English and 200 copies in French. All those in favour will please signify by saying yea. Those contrary-minded? I declare the motion carried.

Motion agreed to.

The CHAIRMAN: I think we are now ready to proceed. What is the wish of the committee? Shall we proceed now with consideration of the bill, clause by clause, or do you want to put it off for another day? Unless we can get this bill back to the house before the 24th it will be pretty hard to get it through this month.

Mr. HERRIDGE: Let us proceed with it, then.

The CHAIRMAN: All right, that is fine with me. Let us come to order, please. Is there any discussion on clause 1?

On clause 1—Table of allowances.

Mr. CARTER: First I would like to ask a question about the number involved in these rates? The war veterans allowance differs from pension payment in that the pensioner gets so much for himself and for his dependents, and there is a separate allowance for each child; whereas, under the war veterans allowance there are no special provisions for children except in the case of orphans. I would like to know what the reasoning is behind that.

Mr. CROMB: Originally the War Veterans Allowance Act was designed just for veterans, and the rates were set for a single veteran and for a married veteran who was a recipient under the War Veterans Allowance Act. At no time has the number of children influenced the married rate that has been paid. With regard to orphans, an orphan rate is set for one orphan; then a rate is set for two orphans, and a third rate is set for three or more orphans. The act does not set a rate for more than three orphans; for more than three, the rate is the same as for three. That was the reasoning. It was originally for the veteran, a single veteran or a married veteran who was a recipient.

Mr. CARTER: It is just a matter of historic development. It just happened to develop along that particular line?

Mr. CROMB: It was a little more than that. The Pension Act, of course, provides that the pension is paid as of right for war disability, while this is based on a means test, and on what is actually needed.

Mr. CARTER: The point that made me ask that question is this: if we take the theory that these people—although they have no disability, I mean war service disability or disability attributed to their war service—nevertheless they are still in need and their need is certainly in proportion to the number of people in the family, including the children. It seems that somehow I would like to see them taken care of, but it is not taken into consideration in this bill.

Mr. CROMB: In the main, the War Veterans Allowance Act deals with older veterans of 60 years and female veterans and widows of 55 years. There is other social legislation for children; and moreover, children's income is completely exempt under section 6 of the act.

Mr. CARTER: Is it possible under other legislation that the children of parents who are receiving the war veterans allowance may benefit from payment under some other piece of legislation?

Mr. LUCIEN LALONDE (*Deputy Minister of Veterans Affairs*): They can, and they do; a pensioner who has children receives his pension on behalf of his children, and this is exempt when he qualifies for the war veterans allowance. Moreover, family allowance payments are exempt under the act.

Mr. HERRIDGE: I am glad you brought that out, because a lot of people do not realize it.

Mr. CARTER: No, I lose sight of it myself.
Clause 1 agreed to.

On clause 2—Persons whom the board may deem widows.

Mr. HERRIDGE: Mr. Chairman, may I ask the deputy minister or Mr. Cromb a question? Would this clause now cover a case such as that of a woman who considered herself married,—as to her intentions,—and who was living with her husband when he died; then, through some unfortunate event, she found that her first husband was alive after 40 years?

Mr. CROMB: No, this is intended to take care of the situation where the veteran is living with a woman who does not qualify under our 30 (11) (b) of the act, or under that sort of irregular union, but who has children by that lady. He then gets the married status because of those children, not because he is living with someone in what is not recognized as a regular union; but when he dies, those children, because their mother is still alive, are not orphans under the present meaning of the act, as it reads at this moment. So the intention of this clause is to make sure that if these children were recognized, and if on their behalf the veteran was receiving the married rate while he was alive, then they should be recognized as his orphans when he dies. The woman herself would not come into any qualification whatsoever in connection with the act.

Mr. BROOME: I think Mr. Herridge is talking about section 2.

Mr. HERRIDGE: Yes, I jumped the gun a bit, and I was thinking of part 2 of clause 2.

The CHAIRMAN: You mean the child of an unmarried parent?

Mr. HERRIDGE: No, I mean subclause 2 of clause 2.

Mr. CROMB: This is where the veteran who was living under what is taken to the 30 (11) (b) clause or the irregular union, and where he does not apply or make known that he wishes the woman to be recognized

as his wife, and he dies. At the present time nothing can be done for that "widow", because he did not make application during his lifetime. But now, with this new amendment, it is suggested that if it is shown that immediately prior to his death he had been living with this woman and had been publicly presenting her as his wife and maintaining her, then the board could deem her to be his widow, and she would become eligible for widow's allowance under the act.

Mr. HERRIDGE: Thank you. That covers the case I had in mind quite clearly.

Mr. CARTER: There is one more case I would like to mention. What about the case where the veteran is a female, and she dies, leaving a husband who is incapacitated. Can he benefit from this legislation?

Mr. CROMB: No, he could not.

Mr. LALONDE: That is the price man pays for being obligated to maintain a woman, and not vice versa.

Mr. HERRIDGE: It is one of the prices!
Clause 2 agreed to.

On clause 3—Payment to widows and orphans resident outside Canada.

Mr. HERRIDGE: This clearly makes it unnecessary for the widow to have to return to Canada from any other country.

Mr. BROOME: I wonder if the deputy minister would comment on the points made by the Legion this morning, particularly in regard to children who may be born to a veteran if he marries outside the country a woman who did not accompany him out of the country?

Mr. LALONDE: The philosophy behind this amendment, Mr. Broome, can only be explained by going back to the amendment which was made at the last session of parliament.

You will recall, that at that time, parliament approved a bill which did not deal with the principle of paying allowances outside of Canada. It only dealt with the question of absence of recipients from Canada, and that amendment said that from now on recipients who absented themselves from Canada, as recipients, could remain away for indefinite periods. If you bear that in mind, then you do not want to do anything that would go beyond the principle, until, of course, parliament decides to put into the legislation a brand new principle. If you do not have limitations regulating these absences from Canada with respect to widows or future children, then, in effect, what you will be doing is approving a straight policy of paying allowances outside of this country. For instance, a recipient goes to the United States. Maybe he intended to be away for only one year, or perhaps two; however, he meets a younger woman in the United States; she knows his situation, so let us say, she inveigles him to wedlock. Then, he dies after two years. She really has no claim on the Canadian taxpayer for subsistence for the rest of her life. This is what would happen if these limitations were not in the act. Future children are in exactly the same boat. However, if she is keen about marrying a man and becoming a Canadian, she will receive, for one year after his death, the married rate, which we think is sufficient to enable her to come back to Canada, if she truly wants to live here. Then she will be eligible for the allowance the moment she sets foot in Canada, as any other Canadian recipient is under the act, provided they meet the other conditions of eligibility.

Mr. HERRIDGE: I think that is a very fair approach.

Mr. BROOME: I just thought it would be well to have the deputy minister give this explanation.

Miss LAMARSH: On a point of information, I wonder if the deputy minister might tell us whether section 3 applies just to a legal widow, or does it also carry the widow in the other section?

Mr. CROMB: It also carries the 30 (11) (b) widow.

Miss LAMARSH: So you use the word "widow" loosely as being a proper legal widow, and also—

Mr. LALONDE: If I may interrupt, Miss LaMarsh, it is the widow as defined in the act, and it covers all the widows as they are defined.

Clause 3 agreed to.

Clauses 4 and 5 agreed to.

On clause 6—Limitation on Payment of Allowance.

Miss LAMARSH: May I make an inquiry in respect of this paragraph? You have taken just 20 per cent, have you, and added it on in all cases?

The CHAIRMAN: I am sorry, but I could not hear the question, Miss LaMarsh.

Mr. CROMB: The schedules are increased by 20 percent with the exception of orphans, and as the orphan rate was not raised in 1957, they received a higher increase to put them identically in line with orphans under the Pension Act.

Mr. McINTOSH: It is about a 33½ per cent increase.

Mr. CROMB: About 38 per cent, for the orphans.

Miss LAMARSH: Where do you get the arbitrary sum of \$250 raise in connection with clause 6 and \$500 in connection with clause 12? Did you just pull these figures out of the blue?

Mr. CROMB: Do you mean in connection with the personal property?

Miss LAMARSH: In connection, say, with clause 6.

Mr. CROMB: No. The personal property originally was \$1,000 for single, and \$2,000 for married, and these amounts have been in effect since 1952. Now, the main purpose of this provision was to allow recipients certain monies for last illness, particularly for the relative of the veteran, as the veteran himself is pretty well taken care of. It was considered since 1952 that that increase from \$1,000 to \$1,250, and from \$2,000 to \$2,500 would be in line with the increase since 1952, and what would be needed for those things.

Miss LAMARSH: It is just to take care of the increased cost of living?

Mr. CROMB: Yes. In fact, all over the country, now, there are federal-provincial hospital insurance plans, which have relieved the necessity of making it any higher than that.

Mr. CARTER: We have introduced this new payment to orphans, which I think is an excellent thing; however, I have not seen anything in the act where it puts an age limit on the orphan, where he would stop receiving it. Is it in the main act?

Mr. CROMB: It is in the main act. It is 16 for a boy and 17 for a girl. It is section 12 of the act, Mr. Carter.

Mr. CARTER: Oh, I see. So, the section of the main act still holds, on that?

Mr. CROMB: Yes.

Mr. BEECH: Do they receive the same benefits if they go to school as they do under the Pension Act?

Mr. CROMB: Under 12 (1) (c) of the act:

under the age of 21 years and is following and making satisfactory progress in a course of instruction approved by the district authority.

That covers that.

Mr. CARTER: For my own peace of mind, I would like to know what a widow with two children, say around five or seven years of age, can get from the veterans' charter—the payment. She is entitled to \$144 under the schedule there, per month, and in addition to that, for two orphans, another \$94.

Mr. CROMB: No.

Mr. CARTER: That is only for orphans.

Mr. CROMB: Where there is one parent, the children are not considered to be orphans.

Mr. CARTER: Oh.

Mr. CROMB: It is only when there are no parents or when they have been voluntarily abandoned, that under the act we have considered them orphans. However, if there is one parent the children are not orphans.

Mr. CARTER: She can get \$144 from the Veterans Allowance Act, plus her family allowances.

Mr. CROMB: Yes. It is exempt.

Mr. CARTER: Then, plus what else, from these other benefits, would there be?

Mr. CROMB: Well, old age security, of course—which she would not likely have with small children. That is exempt. Also, if she had superannuation.

Mr. CARTER: She hardly would have children going to school and be receiving old age security.

Mr. CROMB: May I correct what I said a moment ago—"Those are not exempt". This is getting up to the ceiling. Do you mean how much could she possibly get, up to the ceiling?

Mr. LALONDE: She would get \$144 basic rate, if she had no other income; she would get the family allowance for the children and, if her needs are higher than the \$144 per month, she could be eligible for the assistance fund up to a maximum of \$30 a month.

Mr. CARTER: But then there was some other act you mentioned just now where payments could be made to the children.

Mr. LALONDE: I mentioned the Pension Act, but that would apply only to veteran cases; if she is a pensioned widow, she would be receiving the full pension for herself and children.

Mr. McINTOSH: And, she also could have property valued at \$9,000.

Mr. LALONDE: Yes, and \$2,500 in the bank.

Mr. McINTOSH: I think that is what Mr. Carter is getting at.

Mr. LALONDE: I was thinking of the monthly payments she could receive.

Mr. CARTER: In addition to that, she could have casual earnings.

Mr. LALONDE: Yes.

Mr. CROMB: She could have casual earnings. If she has children, she would be permitted casual earnings up to \$900 in any one year.

Mr. CARTER: But those casual earnings could not be on a monthly basis.

Mr. CROMB: They are figured annually and they are fully exempt as income.

Mr. CARTER: She could work for six months at \$150 per month.

Mr. CROMB: Yes. They would be deemed casual earnings in the amount of \$900, provided she is not employed for more than four consecutive months in steady employment.

Mr. McINTOSH: And, she could earn \$900 in one month, if she wanted.

Mr. HERRIDGE: That, certainly, is hypothetical.

Mr. CARTER: I think that is very good information to have.

Mr. WEBSTER: If she made \$1,100 and paid \$200 income tax, which brought it down to \$900, would she be all right?

Mr. CROMB: No.

Mr. CARTER: Is the \$900 casual earnings gross or net?

Mr. CROMB: Gross.

Mr. BEECH: This is a funny thing. I had a question asked to me by one of these census enumerators who was on war veterans allowance, and she wanted to know certain things in connection with this salary she was making.

Mr. CROMB: It depends how long she was working.

Mr. HERRIDGE: Well, suppose she earned \$500 working on the census and spent \$150 on gasoline in running her car. Could she deduct the \$150 off her salary?

Mr. LALONDE: Again, that is a hypothetical case, because I do not know of any census taker who is on war veterans allowance as a widow, and owns a car.

Mr. JONES: Even if she borrowed one, it would come under expenses.

The CHAIRMAN: Have you a question, Mr. Batten?

Mr. BATTEN: I have one question, Mr. Chairman. In the case of a widow with children, and receiving war veterans allowance, would any amount that she receives from the assistance fund be included in the maximum allowance?

Mr. LALONDE: She is only entitled to assistance from the assistance fund in an amount between the basic rate and the income ceiling. That is the only entitlement she has from the fund. However, she may not get it all because her needs may not be as high as that amount.

Clause 6 agreed to.

On clause 7—Indebtedness to Director of Soldier's Settlement or Veterans Land Act.

Mr. HERRIDGE: Could an official from the Veterans Land Act administration, or the deputy minister, explain the basis for this raise from \$20 to \$40?

Mr. LALONDE: That is due entirely to the fact that the Veterans Land Act now lends more than the original \$6,000. At the time when this was put into the War Veterans Allowance Act, the amount of \$20 was based on the monthly payment of a veteran established in a \$6,000 house. Now, it is up to \$10,000, and the monthly payments can go up to \$37.25; so, we put it at \$40 to make sure we did cover them.

Clause 7 agreed to.

On clause 8—Transfer of Property to Qualify.

Mr. BEECH: I wanted to say something about this, Mr. Chairman. It seems we have a lot of difficulty where people have transferred property of this kind or turned it over to children. This has gone on, and the first thing you know, the recipient owes the board a lot of money. Is there nothing we can do to emphasize that this cannot be done, before they really get into debt? They go into this without realizing what they are doing.

Mr. CROMB: I think that would not quite fit this part. This is a transfer or disposal of property in order to qualify. However, when an applicant makes application for the war veterans allowance, he is asked if he has disposed or given away any property within the last couple of years. He actually is asked that question. I do not see how he could cause an over-payment on this, because, if the district authority felt he had done it purposely, they may deem that he had not done it at all, and would not grant him his allowance.

Mr. BATTEN: Is there any time limit?

Mr. CROMB: At the present time it is two years. However, we are considering bringing it down to one year. We are taking steps to make that one year instead of two.

Mr. MCFARLANE (*Kootenay-East*): As I understand the pension now, a pensioner receiving a war veterans allowance can go out and earn \$900 a year without affecting his allowance.

Mr. CROMB: Not full-time. He can work not longer than any four consecutive months, and cannot earn more than \$900 casual earnings; this amount is not assessed as income.

Mr. MCFARLANE (*Kootenay-East*): Well, this does not appear to be consistent. If a man sells a piece of property to his son, because he is too old to operate it any longer, and he only receives \$300, that is deducted from his allowance.

Mr. CROMB: This is a little different. This is where a man disposes of pensioner so that he comes within the means test, and he does it purposely for the purpose of coming within it.

Mr. MCFARLANE (*Kootenay-East*): This man has now reached the age of 77 years and it is impossible for him to operate this piece of property. Then, just because he receives \$300—if he was able to go to work, he could make \$900—it is deducted from his war veterans allowance. This man has now reached the age where he cannot work.

Mr. CROMB: That is income to him.

Mr. LALONDE: Mr. McFarlane, I think you have to consider the principle behind allowing recipients to earn casual earnings when you are thinking of this particular case. There are two principles involved; one is a question of unearned income that recipients can have. This applies to all types—old age pension, superannuation benefits, and such kind of income that a recipient can have. Also, disability pensions are in that class. So, if you exempt the income derived from the sale of a home, surely you would be just as justified in exempting the small pension a pensioner is receiving, or the superannuation that a superannuated civil servant is getting. The only purpose of these casual earnings is to encourage the recipients who are 60 years of age and over, and who could do something—perhaps not work a complete day—but could do something. It is to encourage them to make more useful citizens of themselves by doing the things they are able to do. As I say, it is a straight encouragement so that these people will do some type of work, if they can get it.

Mr. BEECH: Does this cover the point that was brought up this morning, where a veteran invests some money in a house? Is this the same thing in reverse?

Mr. CROMB: No, it is not the same thing.

Mr. BEECH: It does not seem fair that a veteran can take a sum of money and invest it in a house, and qualify.

Mr. LALONDE: That is in a house in which he is going to reside.

Mr. BEECH: Yes.

Mr. LALONDE: That provides a roof over his head.

Mr. BEECH: If he sells the house and gets the money he cannot qualify but he can use the house and qualify.

Mr. LALONDE: If he sells the house and uses the money to buy another one, it is not counted as income. He is given a year in which to use the proceeds to buy another house. If he pockets the money, however, then it is revenue.

✓ Clauses 7, 8 and 9 agreed to.

On clause 10—chairman and deputy chairman.

Miss LAMARSH: What is a temporary member?

Mr. CROMB: A temporary member is appointed for one year, but may be reappointed at the end of that year.

Miss LAMARSH: What is the normal term of appointment?

Mr. CROMB: The salaried members of the board are appointed to serve at pleasure.

Miss LAMARSH: Is it a matter of trying them out for one year and if they work out all right they become permanent?

Mr. LALONDE: I do not want to embarrass the chairman, because he is involved. I can tell you, however, that in the twelve years I have been with the department it has not been necessary for the governor in council to use the temporary employment provision at any time. The persons who have been appointed as members of the board, since I have been with the department, have been appointed as full-time members.

Clause 10 agreed to.

On clause 11—additional duties of board and district authority.

Mr. HERRIDGE: May we have a reason for the introduction of this clause? It is a rather interesting one.

Mr. LALONDE: No one can forecast future legislation; but in comparing this act with the Pension Act we found out that certain authorities were included in the Pension Act which were not included in the War Veterans Allowance Act. This may or may not need to be used, but since we were amending the act, we thought we should make it somewhat similar to the Pension Act. This clause 11 deals with the authority given to the board at any future date, if it becomes necessary, to administer other similar legislation.

Mr. HERRIDGE: Which they were not empowered to do before.

Mr. LALONDE: Under the present act they can only administer the War Veterans Allowance Act.

Clause 11 agreed to.

On clause 12—veterans of South African war.

Mr. BROOME: Are we taking all of clause 12 at once or will we deal with each subclause separately?

The CHAIRMAN: We will take it up subclause by subclause if you like.

Mr. BROOME: I have a question for clarification on subclause (2), but it will apply to some of the others. My question has to do with eligibility after death. As I understand it these amendments now make it possible for the widow of a veteran who dies before eligibility has been granted to gain the benefits which flow from the decision.

Mr. CROMB: That is right.

Mr. BROOME: But it could not be done before because of the ruling by Justice which said that if a pension had not been paid then in effect there was no pension.

Mr. CROMB: Yes. In the present act he has to be in receipt of the pension; but if after his death he subsequently is granted a pension that will make his widow eligible for the widow's allowance under the War Veterans Allowance Act.

Mr. BROOME: There is no time limit on this.

Mr. CROMB: No.

Mr. HERRIDGE: On subclause (3) of this clause has the chairman of the war veterans allowance board an idea of the number of veterans who might be benefiting by this amendment?

Mr. KENNEDY: As a matter of clarification, in respect of this clause you brought out that a veteran returning after November 12, 1918 would not have his time added on. The way this reads it looks as if he would.

Mr. CROMB: Section 30 (3) (b) of the present act provides that the 365 days must be prior to November 12, 1918. This amendment says that in figuring out this 365 days and in calculating that period, the sailing time to and from shall be counted; but it is limited to November 12, 1918 as the cut-off date.

Mr. CARTER: I doubt if very many people will benefit from the return trip under this act. They would not be coming back unless they were invalidated back. They would most likely go on into the army of occupation.

Mr. LALONDE: I do not think we can give you an exact figure on the number. We have done some estimating, based on our knowledge, and we figure that between 200 or 300 veterans would become eligible because of this amendment.

Mr. CARTER: Would that be taking in both trips, going and coming?

Mr. LALONDE: No.

Mr. CARTER: Just the return trip?

Mr. LALONDE: Yes, either way.

Mr. CARTER: There is an interesting thing in subclause (8). Apparently under this Newfoundland is not considered a part of Canada. It says, "involving duties performed outside the western hemisphere, including service involving duties performed outside of Canada, Newfoundland and the United States of America".

Mr. O'LEARY: It was not a part of Canada at that time.

Mr. CARTER: But this is a new clause.

Mr. CROMB: We still refer to His Majesty's forces because of the situation at that time.

Mr. LALONDE: This particular paragraph reads exactly as it is in the act now.

Mr. CARTER: But circumstances have changed and we are amending the bill.

Mr. HERRIDGE: The explanation here reads:

The purpose of this amendment is to provide that in such cases the board may determine what should be considered in an actual theatre of war in respect of these persons.

Would this amendment give the board the power to decide whether or not they considered a veteran who served in the imperial forces on the north-west frontier had served in an actual theatre of war? Does this give that discretion?

Mr. CROMB: Yes; it would give us discretion.

Mr. HERRIDGE: That is excellent.

Mr. CROMB: That gives us the discretion to say whether it is or not. It does not say we will say that. This is just in respect of world war II.

Mr. HERRIDGE: I was cheering too soon.

Mr. CARTER: Would it give the board discretion to determine that certain coastal waters would be in a theatre of war?

Mr. CROMB: The coastal waters pretty well are covered in the present act. It is service in ships, which is classed as sea time for the purpose of advancement of naval ratings; or aircraft, ship or vessel in the service of the naval forces of Canada.

Mr. CARTER: Many ships were torpedoed in our coastal waters.

Mr. CROMB: The main idea of this subclause is, for example, that a Canadian veteran who served anywhere outside the western hemisphere is quite eligible for war veterans allowance; but in the case of an allied veteran, such as a New Zealander who did not leave New Zealand at all, if he came back to Canada and spent ten years in Canada he would have served outside of the western hemisphere; but as we know New Zealand was not a theatre of actual war, he would not be deemed to have served in a theatre of actual war.

Mr. CARTER: But there are certain veterans who are precluded from receiving war veterans allowance because their service was in coastal waters. I think the board should have discretion because during the war, off St. John's, at Bell island, we had three or four ships torpedoed a quarter of a mile from shore.

Mr. PAUL CROSS (*Member, War Veterans Allowance Board*): These people to whom you are referring were merchant seamen primarily.

Mr. CARTER: No.

Mr. CROSS: Page 9 clause (8) of the bill reads in part as follows:

—the territorial waters thereof in aircraft or anywhere in a ship or other vessel, which service is classed as "sea time" for the purpose of advancement of naval ratings—

The best example perhaps is a naval officer or rating who served in an offensively armed naval vessel in coastal waters. His sea time would count because it is classed as "sea time" for advancement by the Navy.

Mr. CARTER: Take the C.N.R. coastal boats which were passenger ships going around the coast of Newfoundland. They had guns mounted on them and they had naval ratings assigned to them.

Mr. CROSS: They were defensively equipped ships; they were merchant ships, not naval ships.

Mr. CARTER: But naval ratings operated the guns.

Mr. CROSS: The naval ratings who served in those ships, if they were assigned to the gun's crews, would qualify.

Mr. CARTER: I do not think they do.

Mr. CROSS: They come within this definition. However, if they were passengers they would not.

Mr. CARTER: How do you square this away with the requirement of overseas service? I would like to know where this is outlined in the act.

Mr. LALONDE: You are not arguing that these naval ratings should not be eligible?

Mr. CARTER: No. I do not think they are. I think some have been refused on that ground.

Mr. CROSS: A few have been refused because they were merely passengers in the ship and were not assigned to duty as part of the gun's crew.

Mr. McINTOSH: Would the witness place on the record where he thinks this comes in?

Mr. CROSS: It is on page 9 of the bill under subclause (8) (c) (i), the part which reads:

—or anywhere in a ship or other vessel, which service is classed as “sea time” for the purpose of advancement of naval ratings—

Mr. CARTER: It all boils down to whether these coastal ships are classed as sea time for naval ratings.

Mr. CROSS: They are, Mr. Carter, I assure you, unless they were merely passengers.

Mr. SMITH (*Lincoln*): Would the witness advise us if there were other than naval ratings who manned guns on merchant ships?

Mr. LALONDE: I manned one on the way over to England. I would not be classified as a naval rating. When I went over in 1940 we had the most expensive gun crew in the history of the Canadian navy—seven majors and five captains on the guns.

Mr. CROSS: Merchant sailors occasionally helped out, but not as members of the gun's crew. They passed ammunition and that sort of thing. The men manning the guns were naval ratings.

Clause agreed to.

On clause 13—Coming into force.

The CHAIRMAN: Shall clause 13 carry?

Mr. BENIDICKSON: Mr. Chairman, I think this should receive more than hasty consideration by the committee.

The CHAIRMAN: Mr. Benidickson, we can carry or not carry the clause; we cannot amend it. What we propose to do is to meet in camera and then we can consider any recommendations.

Mr. HERRIDGE: I was going to suggest that this committee recommend to the government and the house that they give this consideration now.

Mr. BENIDICKSON: Let us be consistent in this committee.

The CHAIRMAN: At least will you listen to the chairman, Mr. Benidickson?

Mr. BENIDICKSON: You have ruled that it is not in order to amend.

The CHAIRMAN: I suggested we could not amend this clause.

Mr. BENIDICKSON: May I speak to the point of order?

The CHAIRMAN: You may.

Mr. BENIDICKSON: On a point of order, we have already dealt with the same principle this session in connection with the effective date for the payment of the increased benefits under the Canadian Pension Act.

I draw your attention to the minutes of the meeting of this committee on February 23, 1961, when a motion was made, which appears on page 124 of the minutes, which proposed that a similar clause, also numbered clause 13, be considered by the committee in this same way. It was moved by Mr. Forgie and seconded by Mr. Herridge that the committee make that recommendation.

The CHAIRMAN: That is right.

Mr. BENIDICKSON: For an alternative date for the first payment to come into effect.

The CHAIRMAN: We are not questioning that. The point is that your recommendation will come, in my opinion, after we have passed or turned down the clause and sent it back. Then we might meet in camera. There may be more than just this one recommendation. Maybe others will wish to make recommendations as well.

Mr. BENIDICKSON: Oh no; we did not meet in camera on that occasion. At that time you armed yourself by having available the law officer of the

House of Commons, who sat beside you and ruled on the historic pattern of making motions of this type, which admittedly are simple motions recommending reconsideration by the government. We had no meeting in camera in connection with this matter on that occasion and, supported by the law officer of the House of Commons, a motion or recommendation was placed at that time, before the committee had either passed or rejected clause 13.

The CHAIRMAN: That is true, because I did not make any suggestion and I did not make any ruling on it. I accepted it. My suggestion today is that it is not inconsistent at all; if the committee wishes to put a recommendation forward I will not rule it out of order, but I think the proper way to handle recommendations is in camera. If there is going to be a motion to amend, I think it should be done now in open committee, but I do not think we can amend the clause.

Mr. HERRIDGE: We could meet in camera and discuss the recommendations and then decide on the recommendations we wish to make to the government in the house.

The CHAIRMAN: Yes, that is as I understand it.

Mr. BENIDICKSON: No, on this point of order I say that consistency should prevail. You ruled on the Pension bill in connection with something I regard as identical, namely, that it was perfectly in order to make the kind of motion that I proposed to make here. The motion is that the committee recommend that the government give consideration to amending clause 13 by deleting the words, "on the first day of June, 1961", and substituting therefor the words "on the first day of March, 1961". I understand that my motion will be seconded by the member for Niagara Falls. In this connection I think the committee will require a little back history on this legislation. Therefore I refer the members of the committee to the sittings of the committee when we had the minister present on February 14th relating to the Pension increases. We were discussing the increase which would be provided for in respect to the disability pension, and the minister himself was good enough to confess that while no reference was made in the speech from the throne to amending the War Veterans Allowance Act, he had found that with the increase being provided under the Pension Act, that because of that extra income so provided, certain pensioners on a small disability pension would get no benefit as provided for them under the Pension Act because their war veterans allowance cheques would be reduced by an amount equal to the amount of the increase provided this session by Parliament under the Pension Act. I think the Minister indicated that this would affect 13,000 low disability pensioners.

Some of us objected at that point to proceeding with the Pension Act until we found out what was going to be done with the War Veterans Allowance Act, particularly in respect to the 13,000 veterans referred to. However, after some discussion the minister made it clear that he personally was extremely desirous, and just as anxious as anybody, to try to get the situation corrected. It was clear that he was still discussing the matter with his cabinet colleagues. On that basis you will remember that with considerable alacrity I offered to defer any further discussion about the plight of these 13,000 until the minister had been given a further opportunity to use his persuasive powers on the Minister of Finance and on his colleagues in the cabinet.

Well, he was not able to give us assurance, before we were able to deal with the pension bill, that an effective date could be brought forward or put backward, whichever way you want to call it; so it was for that reason, that not only the opposition party members, but also some supporters of the government, felt that the motion made by Mr. Forgie and seconded by Mr. Herridge and eventually moved by me should be made in this committee and be recorded in the minutes at an open hearing. Now, I think it is all the more necessary

that we do the same here, because in 1957, when the last across-the-board increases were provided in the budget of the former administration there was provision for both disability pensioners and for recipients of the War Veterans Allowance. You will recall that announcements of the veterans proposals then were given simultaneously.

Now it appears, since this war veterans allowance bill was not mentioned in the speech from the throne, that the minister, when he presented the pension bill was not even able to give us an assurance that the war veterans allowance people would be taken care of this year. So this bill has come to us as a result of pressure, and as a result of pressure from members of this committee and from members of veterans' organizations. You Mr. Chairman have the helpful thought that the pensioners received cheques, I think, a couple of months earlier than might have received them if that pension bill had not carried from this committee a recommendation and the government had not accepted our committee's recommendation.

So I submit it is such work of this committee which is likely to result in something similar for the war veterans allowance people. I do think that that class above all veterans is perhaps in greatest hardship at the present time.

The CHAIRMAN: We are not trying to cut off any recommendations at all. I do not know what your motion is. I think you have made a motion.

Mr. BENIDICKSON: May I send it down to you, Mr. Chairman?

The CHAIRMAN: Would you do that, please. I suggest the proper place to consider this would be in camera, because I think there are others who may have motions they wish to have considered.

This motion was moved by Mr. Benidickson and seconded by Miss LaMarsh, that the committee recommend that the government give consideration to amending clause 13 by deleting the words, "on the first day of June, 1961", and substituting therefor the words, "on the first day of March, 1961".

I will consider the recommendation, but the only point is: are we going to consider recommendations in open committee or are we going to go into camera to consider them?

Mr. BENIDICKSON: The last time in such a situation you had right at your elbow the House of Commons legal officer.

The CHAIRMAN: Mr. Benidickson accuses me of something which I did not do. I did not make a ruling on that. I accepted it without question. The ruling on which I was guided by the legal officer was as to whether they could be polled after the vote was taken. As a matter of fact, they should not have been polled after the vote was taken. I ruled in your favour, because I thought it was only fair; but I have found out since that the demand for polling of the vote should be made before the vote is taken. However, that is not the question here.

Mr. BENIDICKSON: Do not be inconsistent with respect to your former ruling on whether or not in open session a motion for recommendation of this kind can be made. You said that when this motion was made in connection with the pensions clause, which was a similar clause, you said that you made no ruling.

The CHAIRMAN: That is right.

Mr. BENIDICKSON: You say that you accepted my motion without question?

The CHAIRMAN: I did.

Mr. BENIDICKSON: I submit that is not so and this is shown by the record, because my question was whether a motion of this kind was in order. When the Pension Bill was before us you appealed for a ruling from the legal officer of the House of Commons, who normally is not here. I have no doubt he came on your invitation. Thus if you had any difficulty with that kind of a motion, you would be able to deal with it.

The CHAIRMAN: No. I think the ruling was on the polling. However, I am ready to leave it to the committee if they want to deal with this thing in open session.

Mr. McINTOSH: Mr. Benidickson says you did make a ruling on it, while you say that you did not. I would like Mr. Benidickson to show us in the record where this occurred.

Mr. BENIDICKSON: I know the chairman of this committee made a ruling then.

Mr. McINTOSH: Well, just read it to the committee.

Mr. HERRIDGE: I do not think there is any question about which we should have any sharp difference of opinion. Throughout the years in this committee, upon occasion, someone has repeatedly moved, and someone seconded a motion making a recommendation for consideration of a certain clause. Now, on this bill there are several recommendations made by the Canadian Legion and the Canadian Corps. We can only ask the government or the house to consider them. It is up to the committee whether they want to pass separate resolutions for each recommendation, or pass a resolution urging consideration of the recommendations in the briefs.

Mr. O'LEARY: That leads me to my question: If you are going to accept this recommendation by way of a motion now, is that going to preclude any other recommendations being made?

The CHAIRMAN: I would hope not, but it is in the hands of the committee. I think that others have the right to make recommendations.

Mr. JONES: If I may speak to this point of order, I think that the decision which was made earlier was related to a direct amendment, which of course was out of order, as the law officer advised at that time, because it would increase the charge on the treasury, and that is clearly out of order. The present motion has to do with recommendations, but we have not finished dealing with the bill; as the chairman suggested, we have not finished dealing with the bill. So I suggest that we first finish with the bill and then consider any recommendations. I think that is the most natural, proper and orderly way to do it.

The CHAIRMAN: I am not objecting to the recommendation.

Mr. BENIDICKSON: Will you tell me why, Mr. Chairman, under identical circumstances, you take a different position?

The CHAIRMAN: It is not identical. I do not wish you to use those words, as far as I am concerned.

Mr. BENIDICKSON: Well, I will use the word "approximately", which we were using in the recent tariff debate if you want; but I say that what we are dealing with here is simply the date on which the first enlarged cheque will be paid. I say that to that extent it is identical with the recent Pension Act. You cannot change my opinion. You may hold a different opinion; but I say it is identical in its effect. And I refer you to page 121, of this committee's minutes of this session, where you are recorded as saying:

The CHAIRMAN: I am now ruling that the motion is in order.

Mr. BENIDICKSON:

The CHAIRMAN: On this clause, there was a motion standing which was made by Mr. Forgie, seconded by Mr. Herridge.

Mr. BENIDICKSON: I asked that the motion be read so that those members of the committee not present when it was advanced would know what it was about.

Then my motion on the pension bill was read, and you said Mr. Chairman that Mr. Forgie had spoken to you to say that he could not be present that morning, and that he had then arranged with me to advance his motion to the committee; and then you go on to say: (See page 121 of our Minutes)

I notice the motion he handed to me was taken out of the Canadian Legion brief. I am now ruling that the motion is in order. If anyone wishes to speak to this motion, I shall be glad to hear him. Now do you rule that this similar motion is not in order?

The CHAIRMAN: No.

Mr. BENIDICKSON: Which would, in effect, amend the section?

Mr. HERRIDGE: It is a recommendation.

Mr. BENIDICKSON: This would be a recommendation from the committee to the House of Commons.

And then, in connection with the point raised by the parliamentary secretary just now, his question was as to whether or not this committee has any right to increase the financial burden of the crown. This is not in argument here. That was dealt with also on the last occasion. There was no dispute that the committee would be ill advised, or perhaps would be out of order in advancing an amendment to a clause of the bill which went beyond the financial recommendation of the government. So the resolution which was made at that time was only a recommendation. But it was made in open hearing, and, as I say, you so ruled it in order then. Therefore I urge you not to be inconsistent on this occasion.

The CHAIRMAN: I did not rule. I considered that the recommendation was one which was all right to go before the committee.

I did not suggest, and nobody suggested, that we could not make any recommendation until we got into camera. If the committee wishes to deal with this recommendation in open committee, then it is all right. I think, if you will read all the evidence, you will find that we are consistent in so far as recommendations are concerned.

Mr. BENIDICKSON: Go over to the next page, No. 122. You said also then "I feel the motion is in order because this is only a suggestion. It is not an amendment."

Mr. JONES: I do not think we are going to get anywhere if we continue to proceed in this way. We are trying to deal with a bill to help these veterans, and surely we can avoid all this kind of acrimony and get on with our business. It is my suggestion in order to expedite this matter, that we finish consideration of the bill. Many members of the committee have indicated during the course of this committee hearing that they have suggestions and recommendations to make and discuss with members of the committee. Other members of this committee have decided, apparently, that they are willing to have those recommendations discussed after they have dealt with the whole bill. Now, if that seems to be the general feeling of the committee, surely we could now move on to deal with the remainder of the bill, and then go on to the question of recommendations.

The CHAIRMAN: That was my suggestion.

Mr. BROOME: There is no other course; this committee can only consider one thing at a time. We are now considering a bill, and we must dispose of it before we go on to recommendations.

Mr. BENIDICKSON: But we did not do that on the pensions bill last time. I refer you to a further ruling Mr. Chairman which you made. It is on the last section of the bill which decides when the increased payments shall come

into effect. It is at that point that we have to have a discussion as to the date of its coming into effect, and the making of the first payments, on the increased basis; and at page 122 referring to the pension bill you again refer to this. So you did not do this in any hasty way. The discussion is carried over on the next page where you say:

The CHAIRMAN: I feel the motion is in order because this is only a suggestion. It is not an amendment.

The CHAIRMAN: I have not ruled your motion out of order. I do not know what you are fighting about, or arguing about.

Mr. BENIDICKSON: Let us put the motion, then.

The CHAIRMAN: I think Mr. Jones is right. You will agree that we cannot amend a bill. All we can do is to attach a recommendation to our report. Is that not what you have in mind in your motion?

Mr. BENIDICKSON: Yes.

The CHAIRMAN: If you are not going to amend clause 13, should we not carry it, and carry the title and the preamble, and then, if the committee wishes, deal with it in open committee? Or, it may be—and this is only a suggestion—that we meet in camera. It may be that you oppose this, and it may be that the whole committee opposes it. I do not know if they are going to follow my suggestion or not.

Miss LAMARSH: Mr. Chairman, is there not a motion before the committee which you have not, up until this time, ruled to be out of order? Therefore, if you have not ruled that it is out of order, it is in order.

The CHAIRMAN: I ruled it was quite all right. I think this recommendation is perfectly all right to be dealt with, when we reach the point to deal with it.

Mr. JONES: It is out of order now, because we are dealing with the bill at the present time.

Miss LAMARSH: Mr. Chairman, we are still speaking on the point of order, and since this is yet to be disposed of, this is what we ought to be doing. From what you have said, it is my understanding that you have not disposed of this as being out of order at this point, and if you did so, this would be opposed to what you said earlier this year on a very similar occasion. If it is in order, surely the chairman should say so, and it should be disposed of at this point.

The CHAIRMAN: I still think it is in order for this committee to present a recommendation like this. When you say: "It is out of order", at this time, might I suggest that it be held until we deal with the act; then we will deal with all the recommendations.

Miss LAMARSH: With the greatest respect, Mr. Chairman, twice you said specifically it is in order.

The CHAIRMAN: Well, if I rule it out of order at this time, to settle the argument, can you bring it in again at the proper time.

Mr. BENIDICKSON: You know, Mr. Chairman, that under the rules if a majority supports you on a point of order, and you say that something is out of order, it is not possible, after a vote has been taken, to reverse the decision at the same session of parliament.

Mr. JONES: That is not correct.

Mr. McINTOSH: Mr. Chairman, could we read into the record what was said by Dr. Ollivier the last time, in order to get this thing straight on this point of order?

The CHAIRMAN: You could refer to it.

Mr. McINTOSH: I would like to refer to the top of page 122, and as far down as half-way on that page. The last statement Dr. Ollivier made, after he explained the whole thing, was this: The question was asked:

If the government accepts this recommendation, do we start this legislation all over again in the house, as a money bill?

Dr. Ollivier answered in these words:

Only for this amendment. There will be a resolution in the house that section 13 of the bill be amended—that will be your recommendation—and I shall write to His Excellency to get his recommendation for it and you will hold up the bill in the committee of the whole until that resolution is reached.

I think the purpose of this committee is to get this bill passed before this session ends.

I think your suggestion, Mr. Chairman, is correct. We all have recommendations which, more than likely, many of us would like to put forward, and I agree with you, that they should be discussed in camera, as you have said previously in this same regard. That is the proper way to do it. If Mr. Benidickson wants to bring up that recommendation, let us deal with it at that time, in the same way as one that I might want to make.

Miss LAMARSH: It will mean a further delay.

Mr. McINTOSH: No, it will not.

Mr. BROOME: It will expedite the work.

The CHAIRMAN: I do not think Mr. Benidickson intends to amend this section by his motion. Do you, Mr. Benidickson? You do not intend to amend it?

Mr. BENIDICKSON: I attended the sittings when we received the presentation from the Legion and, when we have a *Hansard* record, I propose to ask members of the committee where they stand in connection with this question of whether the payments should start on June 1st, or whether, they should start on March 1st. In that connection, I want to speak briefly to the point raised by Mr. McIntosh.

The CHAIRMAN: Would you like to have the motion put now?

Mr. BENIDICKSON: Yes, and inasmuch as you said I was out of order the last time, I would like to say now I request a recorded vote.

Mr. O'LEARY: Before you accept the motion, Mr. Chairman, if I was satisfied there was not any other member here who had any recommendation to make, I would say this should be treated in the way Mr. Benidickson suggests; but, on the other hand I do believe there are other recommendations to be made, and I do not see why Mr. Benidickson's recommendations should be treated any differently.

Mr. BROOME: I think there are other points in the Legion brief which require a bit of discussion, and on which, Mr. Chairman, we have not had an opportunity of discussion. Mr. Benidickson is playing political games in this connection.

Mr. BENIDICKSON: Nonsense.

Mr. BROOME: And, this is not the rule of this committee. We never have acted that way.

Mr. BENIDICKSON: You were not a member of the committee when the Conservative party was in opposition. The former Conservative veterans minister, Mr. Brooks, and the present Secretary of State for External Affairs (Mr. Green) made all kinds of motions of this kind as friends of the veterans when they were in opposition.

The CHAIRMAN: I am going to rule it out of order.

Mr. BENIDICKSON: But you just ruled it was in order.

The CHAIRMAN: I asked you if you wanted it put.

Mr. BENIDICKSON: And then you said: "All right, I will put the motion."

The CHAIRMAN: I did not say I would put it.

Mr. BENIDICKSON: I request we ask the reporter to review his notes.

Mr. CHAIRMAN: Mr. Reporter, will you go back and see if I said that.

Mr. JONES: Surely the question is whether or not this motion is in order. Let us decide that now.

I think the committee is ready for your decision on that point, Mr. Chairman.

Mr. BENIDICKSON: The Chairman said: "Do you want the motion put?" I said, "Yes." Then, the Chairman said, "All right."

The CHAIRMAN: We are waiting to see if I said, "All right; I will put it."

Mr. HERRIDGE: Mr. Chairman, Mr. Benidickson is right. We have done previously what he suggested now. I do not like to see any disagreement on this. It does not make much difference whether we pass the amendment now or later. I suggest that as the amendment is really to a particular clause in the act, with respect to when these amendments come into being, we can very well deal with this amendment now, and also deal with the other amendments which the Legion has, which are possible. However, they are not as pinpointed to a particular clause as this is.

Mr. JONES: They all are directly related to the various clauses in the bill.

The CHAIRMAN: Please wait a minute. I want to find out here and now if the stenographer can tell me if I said I would put the motion. I would like to know that, because I did not think I had.

(Whereupon the reporter read back the following):

The CHAIRMAN: Would you like to have the motion put now?

Mr. BENIDICKSON: Yes, and inasmuch as you said I was out of order the last time, I would like a recorded vote.

Mr. BENIDICKSON: Are you now ruling this out of order?

The CHAIRMAN: I would like to have a lot of this off the record here, if I may, until we straighten this out.

Mr. BENIDICKSON: I cannot hear you at this end of the room now, but I was sure I heard you before.

The CHAIRMAN: I would like to have some of this off the record. I do not know exactly what you want.

Mr. BENIDICKSON: I do not think there is any difficulty in the other members' minds as to what is wanted.

When we went through a similar procedure in connection with the disability pension bill, earlier this session this same committee made a recommendation to put back the date on which the increased cheques would become payable. Our recommendation then had a very fortunate result. The government did consider our recommendation, and with the result—what was it?—two months earlier—larger cheques were provided.

However, in connection with Mr. McIntosh's point,—I think he has forgotten a point. He used the argument about delay—if he will recall, in connection with the pension bill, there was not in it an exact date for coming into effect. I have not a copy of the bill in front of me. But as I recall it, it was

open-ended. This was of some consequence. It said it would come into effect on the first of the month after it received royal assent, or something similar to that.

Mr. McINTOSH: We want this bill passed at this session and, as the Prime Minister has said, if we are not finished by the 30th of June, there is going to be a recess. I do not want to see the veterans wait for four to five months before they can get the benefits of this act, when it becomes an act.

Mr. BROOME: Right; they will wait six months.

Mr. McINTOSH: The charge has been made for possibly the second time in this committee since I have been in it—and I have been here since 1958—and as far as I know, this is the second time that political patronage, if you wish to call it that, has been used in this committee.

Mr. BROOME: For political gain.

Mr. McINTOSH: Yes. I still think the chairman is right and, as Mr. O'Leary has suggested, there are many of us who want to speak in connection with certain clauses in this bill. Why should you make a recommendation, Mr. Benidickson, on clause 13, when I am denied making a recommendation on, say, clauses 10, 11 or 12.

I am quite prepared to deal with it in camera, and I think every member here, regardless of which party they belong to, are quite prepared to take a stand on it. Although our interests may be the same, I think yours could be the means of delaying the veterans getting their larger cheques. Our way means that they will get it much sooner than it would be if we delayed it and discussed it right here, by going over each clause and making recommendations now.

Mr. BENIDICKSON: I cannot accept that kind of assertion, that this is advanced for political gain. I want to remind the committee that the people who gained by doing exactly this sort of thing in connection with the pension bill, were the veterans. They got their cheques earlier.

Mr. McINTOSH: You said they would not have gotten them.

Mr. BENIDICKSON: I have a great deal of doubt that if our representations and pressure had not been made, would not have got them as early. In addition to that I want to say that, unless representations were made in this committee, by the Legion, by us and others, I doubt very much if this legislation would come in this session. It was not mentioned in the speech from the throne. Unlike previous occasions, as in 1957 under the former government where increases were provided for pensions, the government made indication it proposed to do something similar for those needing war veterans allowance. In addition to that, my recollection is that during the current session, the Minister of Veterans Affairs indicated it was not until next year that we were likely to get war veterans allowance legislation before parliament. I say, therefore, that if you have meetings in camera, and there is not adequate publicity given for the benefit of the veterans, I doubt very much that we would have gotten the changes that took place respecting disability pensions this year. Similarly I doubt we would get otherwise War Veterans Allowance legislation put through this session. Until a couple of months ago, let alone last November, when we opened this House of Commons session there was no indication from the government that it intended to deal with this war veterans allowance problem, until it was exposed in open meetings of this committee, that there were 13,000 veterans who, notwithstanding the increases provided under the Pension Act, would get not a dime more this session.

The CHAIRMAN: Mr. MacRae would like to say something.

Mr. McINTOSH: I think Mr. Benidickson was directing his remarks to me.

Mr. BENIDICKSON: I was referring to your use of the words respecting me "political gain". I say the gain went to the veterans.

Mr. McINTOSH: You also asserted that possibly you were the one who brought it up.

The CHAIRMAN: Order. I do not think we are getting anywhere.

Mr. MACRAE: May I make the suggestion that you do one of two things; either rule the motion out of order, in which case Mr. Benidickson may appeal your ruling, or rule the motion in order and put the motion?

Mr. McINTOSH: Am I not allowed to continue with my remarks?

The CHAIRMAN: We are wasting a lot of time. I think what Mr. Benidickson wants is a vote in open committee. That is not what I am objecting to. Mr. Benidickson, will you let the motion stand until we have completed the bill and I will then put the motion?

Mr. BENIDICKSON: Do I have your assurance that my motion afterwards will be put in an open meeting?

The CHAIRMAN: It will be right now, this afternoon. I do not want to make a ruling which will cut off this recommendation forever. If Mr. Benidickson is willing to let this stand until we have completed the bill, I will accept the motion.

Mr. JONES: I do not think we should be obligated to vote on this this afternoon, because the entire discussion has been on the question of whether or not the motion is in order. No views have been give pro and con. It is now 4.30 and we do not have time to finish now.

The CHAIRMAN: I will make the ruling anyway. I am going to rule that we go on with the bill, complete it and then I will put the motion, rightly or wrongly. I think it will be disposed of more quickly in that way than in any other way.

Mr. KENNEDY: The assertion has been made that everything which happened in respect of this bill happened because of outside pressure on the members. If you go to the record of the House of Commons when we were debating the resolution on the amendments to the Pension Act you will find that some of those who spoke on the resolution at that time advocated that the War Veterans Allowance Act be amended as soon as possible. There was no chance at that time for anyone to bring any pressure to bear on anyone. I take exception to the statement which has been made.

Mr. BENIDICKSON: Mr. Chairman—

Mr. BROOME: I think Mr. Benidickson should shut up, because he is monopolizing the meeting.

Mr. BENIDICKSON: I listen to a great deal from you in the House.

The CHAIRMAN: I am willing to hear anyone on clause 13.

Mr. McFARLANE: We will probably have several recommendations made. Why should they not all be considered together?

The CHAIRMAN: Shall the clause carry?

Clause 13 agreed to.

Preamble agreed to.

Title agreed to.

The CHAIRMAN: Shall I report the bill?

Mr. BENIDICKSON: In view of the effective date contained in the bill, it will carry on division, Mr. Chairman.

The CHAIRMAN: Then that releases me from the other.

Mr. BENIDICKSON: You say it releases you?

The CHAIRMAN: If it is not going to carry, I do not feel I should have to put your motion.

Mr. BENIDICKSON: Then I will withdraw my reservation if it contravenes your understanding of our commitment.

The CHAIRMAN: Shall I report the bill without amendment? That does not mean without recommendation.

Agreed to.

The CHAIRMAN: I am going to put this motion because it is one of the recommendations. I think we will need to consider others.

Mr. JONES: I think all the recommendations should be considered at the next meeting.

The CHAIRMAN: I have done it this way. I am going to follow my ruling.

Mr. BENIDICKSON: Mr. Chairman, if you are about to put my recommendation I would ask for a recorded vote.

The CHAIRMAN: After we have dealt with this, if the committee wants to deal with other recommendations in open committee I am satisfied. I started this off with a suggestion. I thought it was a good one, but it has turned out to be a tempest in a teapot.

Mr. BROOME: You are now going to put the motion. Any motion is open to amendment, is it not?

The CHAIRMAN: Provided it does not destroy the motion.

Mr. BENIDICKSON: Provided it is relevant.

The CHAIRMAN: The motion is that the committee recommend that the government give consideration to amending clause 13 by deleting the words, "on the first day of June 1961," and substituting therefor the words, "on the first day of March, 1961".

Does anyone wish to speak to the motion?

Mr. KENNEDY: Before the vote is taken, I would like to inform the committee that I am going to oppose this motion, because I feel we are nearing the end of the session. If this recommendation goes back to the government and is considered and accepted, then in my estimation it would be impossible to get this legislation through this session, if it ends very soon, which it is likely to do. Therefore, we would be depriving the veterans of the benefits for perhaps another six months.

Mr. JONES: In speaking on the motion, if a recommendation is to be made by the committee, I would think that it should include consideration of all the Canadian Legion's proposals. Surely this committee would want the government to consider all the recommendations of the Legion. Perhaps the motion might be amended to that effect so that the government would give consideration to the entire Legion brief.

Mr. HERRIDGE: Perhaps we might amend it by suggesting that the committee also recommend that the government and the house give consideration to the other recommendations contained in the brief of the Canadian Legion and the representations of the Canadian Corps Association.

Mr. McINTOSH: Is it a proper amendment?

The CHAIRMAN: It is hardly an amendment.

Mr. HERRIDGE: As an amendment, I am asking that the committee recommend that the government and the house give consideration to the other recommendations in the Legion's brief and the recommendations of the Canadian Corps Association. It is just an extension of the amendment.

The CHAIRMAN: We will vote on the amendment first.

Mr. BROOME: This changes the picture considerably. Does this mean that the committee gives a blanket endorsement to every recommendation made by the Canadian Legion? Undoubtedly some recommendations will receive favour and others will not. In voting on this we would be giving a blanket endorsement to everything in the brief.

Mr. JONES: I do not think that was the intention of Mr. Herridge in making this amendment. I gathered what he meant was that the Legion brief be recommended by this committee for consideration by the government, and also that any other recommendations the committee might have to bring before the house be included in the report made to the house. This does not mean an endorsement of the Legion's brief. It merely draws the attention of the government to the fact that the Legion has presented a brief here and since the Legion is held in such high regard we would like to have their recommendations considered. It means simply that we recommend the government take a look at the representations to see whether or not they can be implemented.

Mr. McINTOSH: Mr. Chairman, as I understand Mr. Benidickson's motion it has to do with amending clause 13 and has to do only with the date when the act comes into effect. I would suggest that Mr. Herridge's amendment to the motion is out of order because it has nothing to do with clause 13.

The CHAIRMAN: After looking at the wording of the amendment I do not consider it an amendment to the first motion.

Mr. HERRIDGE: It is only an extension of the principle in the motion. It gives effect in the motion, to other recommendations; that is all.

The CHAIRMAN: I think it should be dealt with separately because the first motion has nothing to do with the Legion.

Mr. THOMAS: I would like to say that I consider this bill as it is drawn up to be a good bill. I think it will mean a great deal to the veterans. I believe the department has given a great deal of consideration to it and that every consideration has been given to bringing it into effect at the earliest reasonable date. For that reason I am going to support the bill as it is.

Mr. BROOME: I would also like to say that the primary objective in my mind is to get this bill approved as fast as possible. This objective should outweigh all other considerations. I think Mr. Benidickson's motion will tend to delay it.

Miss LAMARSH: I recall when the recommendation was made in regard to the Canadian Pension Act. It was very sharply pushed through. I am informed that the cabinet meets almost daily and certainly, were the parliamentary secretary to the minister here, the minister would know five minutes after this was passed, if it were passed, and there would be no delay. I think everyone on this committee is interested in the welfare of the Canadian veterans. If we allow this to go through without the recommendation it means that the individuals who receive the benefits will be deprived of the additional three months' period. I would think that every member of this committee would be in favour of their not being deprived of this three months' period. That is the sole purpose in moving this recommendation; it is not being done for political purposes or for anything else, but just to use the persuasive powers of this committee, added to those of the veterans' organizations, in an identical way to what was done in respect to the Pensions Act, and for the benefit of the veterans, not for the benefit of any party or any individual.

Mr. BROOME: This bill does not refer to the 13,000 veterans who are recipients of war veterans allowance and also of disability pensions. This bill covers all war veterans allowance recipients and it has gone far beyond the scope of what Mr. Benidickson and Miss LaMarsh have been mentioning so much, that is, in regard to the 13,000; so that this bill is not restricted to them. This bill encompasses all veterans or war veterans allowance recipients, and this is a much broader, and much more important field than the limited number who benefit from the Pensions Act, as well.

Mr. JONES: In view of your rejection of the amendment with the result of limiting the motion to this narrow field, it seems to me that it overlooks the actual basis under which the war veterans allowance is paid. The war veterans allowance is paid, as the committee knows, after a means test; now, in the case of the disability pensions bill, you may make the bill retroactive, if you so desire, without any problems arising. However, under the War Veterans Allowance Act, the question of making a bill retroactive runs into all the problems of determining whether or not the people had eligibility at that time, and whether their incomes were over or under the ceiling.

I am advised that in 1952, when an attempt was made in that direction, they ran into all sorts of difficulties, with veterans having to repay part of the retroactive payment that was made, and that it caused a good deal of hardship, because they thought that they were going to get an amount of money which was in fact paid to them, and then they found that their income ceiling and eligibility prevented them from receiving that amount of allowance; so they had to repay it, although in most cases they would have already spent it.

By reducing this motion to this very narrow ground that has been put forward by Mr. Benidickson, we are faced with that problem among others. So I think that in the situation here, by presenting to the government either the brief that the Legion has presented, or by merely singling out a particular item to be dealt with in this restricted manner, we are really destroying the work or objective of our committee in dealing with this bill, which is not only to consider the recommendations which have been made, but to consider the bill on the initiative of the members of the committee themselves, and then to make a series of recommendations to the government for the benefit of the government to give it advice and guidance by the committee as a whole.

Miss LAMARSH: This does not obviate any other recommendations being made.

Mr. BENIDICKSON: Any other committee member may move for recommendation.

Mr. JONES: I think that on those grounds this particular motion should be opposed.

The CHAIRMAN: Are you now ready for the question? There has been a demand made for a polling of the vote. The amendment is just on the first question, and we will call the members and they will respond by yes or no.

Mr. THOMAS: May we have the amendment read again?

The CHAIRMAN: The motion reads as follows:

Moved by Mr. Benidickson, seconded by Miss LaMarsh, that the committee recommend that the government give consideration to amending clause 13 by deleting the words "on the 1st day of June 1961" and substituting therefore the words "on the 1st day of March, 1961".

(At this point a polled vote was taken).

Motion negatived.

The CHAIRMAN: I declare the motion lost. Now, it is time for us to adjourn, but we must meet for further consideration. Is it possible for the committee members to meet tomorrow at some time, if we can get a room and make arrangements, or shall we put it off until Tuesday?

Mr. BENEDICKSON: Make it 9.30 tomorrow Friday morning.

The CHAIRMAN: We shall try to meet some time tomorrow so that we can consider these other phases.

This will be a meeting in camera, and we will not need the reporter. Will 9.30 be agreeable? Let us adjourn now, until tomorrow morning at 9.30. Thank you very much.

APPENDIX "A"

Mr. Chairman:

At this morning's Session, the Legion was asked to define the Service of those Merchant Navy Seamen whom we felt should be brought within the provisions of the War Veterans' Allowance Act. I am sure the members of the Committee will appreciate that in the limited time at our disposal it has not been possible to do as much research as we would have liked, but we believe the following recommendation, if accepted by this Committee and adopted by the Government, would provide benefits to the group for whom our membership is concerned.

That members of the Committee will have more understanding of the Service of our Merchant Seamen, I would like to quote for you excerpts from statements made by two of Canada's wartime Ministers of Transport. In an article written for The Legionary magazine in 1942, the Hon. P. J. Cardin stated,

Today, with intensified efforts by the Axis forces to prevent men, food, munitions and supplies reaching the shores of Great Britain or other battle fronts, the merchant seamen are playing an even more important part than ever before, and are sharing with the Navy, the Army and the Air Force the honours in the grim battle for world freedom. The courage and devotion to duty of the merchant seaman has been officially recognized and the Merchant Marine—or the Merchant Navy as it is now called by gracious consent of His Majesty the King—has now been accorded the distinction of becoming known as the Fourth Arm of the Fighting Forces.

In 1945, the Hon. Lionel Chevrier made this statement:

No body of men has contributed more to the prosecution of the war effort than those gallant seamen who man the ships of the Allied Merchant Navies, and to which Canada's contribution in ships and men has grown from small beginnings to now play a substantial role.

Mr. Chevrier divided Canada's shipping activities into three categories, and stated: "The foreign-going ships and some of those in the Coastal and Home-Trades pursue their voyages in enemy infested waters." He said, "Nevertheless, all of us know that those Seamen whose voyages and duties bring them in contact with the enemy, undergo desperate risks and hazards. The dangers they encounter are comparable with those experienced by the average man in uniform." Again he stated, "When War commenced our Eastern Canadian ports became the terminal of the Atlantic supply line, and opportunities for engagement on ships became increasingly available; many more Canadians offered themselves for service and joined such ships." The Minister's statement continued and outlined the Service of the Seaman, the establishment of the Directorate of Merchant Seamen through which Manning Pools were erected and placed in operation in Halifax, Montreal, Saint John and Vancouver. The speech also dealt with the pay of the seamen and benefits the men received.

Both the Hon. Mr. Cardin and the Hon. Mr. Chevrier quoted from an Order-in-Council which authorized the establishment of the Directorate of Merchant Seamen. This quotation is as follows: "The Merchant Marine, on which our sea-borne commerce depends, is under present conditions virtually

an arm of our fighting services, and the provision of merchant seamen, their training, care and protection is essential to the proper conduct of the war, and vitally necessary to the keeping open of the sea-lanes on which the successful outcome of the present conflict so largely depends."

Recognition of Merchant Seamen for War Veterans' Allowance purposes does not establish a precedent inasmuch as other civilians are considered eligible for War Veterans' Allowance under the provisions of the Special Operators' War Service Benefits Act and the Supervisors' War Service Benefits Act.

The T.124 Service, which was a special category of the Merchant Navy, included those men and ships engaged in extremely hazardous undertakings, such as the placement of Mulberry Harbours on the Normandy beachhead, minesweeping, rescuing disabled ships, and assisting wherever landing operations were being carried out.

The limitations of Service are arbitrary, but should be defined, to the greatest possible extent, on a specific basis. We suggest the term "dangerous waters" might be used to define the areas of Service which would be acceptable. It is our understanding that during the war insurance companies defined certain waters throughout the world as "dangerous waters" and imposed a higher premium for insurance because of the increased risk to vessels navigating in these areas.

THE CANADIAN LEGION THEREFORE RECOMMENDS—

That legislation be enacted to extend eligibility under the War Veterans Allowance Act to Merchant Seamen who served in dangerous waters.

APPENDIX "B"

CANADIAN NATIONAL TELEGRAPHS

1961 May 31

MOA 142

MO ANAO81 INTL Lt=AN LONDON (VIA WU CABLES) 175 1/51 31

Lt G. W. Montgomery
Chairman, Standing Committee
On Veterans Affairs,
House of Commons,
Ottawa.

The members of the Canadian Veterans Association of the United Kingdom assembled in national conference wish to draw to your attention the sad plight of many Canadian veterans and dependents in this country and trust that your committee will give earnest consideration to extending the provisions of the War Veterans Allowance Act to those in need over here—Stop—Your attention is directed to a brief outlining the situation which was presented to the Prime Minister and to representations which have been made to the Minister of Veterans Affairs—Stop—Suggest that as the allowance is now granted to Canadian and allied veterans who are able to come to this country with the allowance it is most unfair that the Canadian veterans already in this country should not also be entitled to draw the allowance in respect of their service—Stop—Please bring this matter to the attention of your committee.

B. R. Mullaly,
National Secretary
41 Grosvenor Street
London.

~~UB~~ Canada. Parliament. House of
~~359~~ Commons. Standing Committee on
~~C2A428~~ Veterans Affairs
~~1960/61~~ Minutes of proceedings and
evidence
Physical &
Applied Sci
~~Serials~~

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Publications

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